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## France Will Shrink Crédit Lyonnais to Rescue It

By Alan Friedman  
*International Herald Tribune*

PARIS — France announced a rescue package for state-owned Crédit Lyonnais on Friday that will shift about \$27 billion worth of assets out of the bank, more than one-third of them troubled loans, while dramatically shrinking the size and activities of the bank.

Top officials of the government of Prime Minister Edouard Balladur, who are worried about angering voters ahead of next month's presidential election with a taxpayer-funded rescue or about ringing European Commission alarm bells over huge state subsidies, insisted Friday that Crédit Lyonnais was not being bailed out by the state.

But the plan, which involves major sell-offs and job cuts that will shrink Europe's biggest bank, includes parking some \$27 billion of the bank's assets in a new holding company that will be tied to a state-owned intermediary. The government, in essence, will be saddled with guaranteeing these assets.

Officials revealed that at least \$10 billion of the assets being transferred out of the bank represent likely loan losses as well as provisions for possible legal damages relating to Crédit Lyonnais's court cases involving French property loans and its ownership of MGM, the Hollywood studio.

On Friday, the bank announced 1994 losses of \$2.4 billion, a level far higher than

was forecast late last year by Jean Peyrelade, the bank's chairman.

Mr. Peyrelade said that the bank planned a four-year restructuring plan, and contended that Crédit Lyonnais would return to profit in 1995, although he said earnings would range only from 500 million francs to 1 billion francs (\$100 million to \$200 million).

The desperate financial condition of the bank became clear Friday when government officials said Crédit Lyonnais would probably dismiss as many as 7,000 employees, or more than 10 percent of its work force, pull out of all commercial property lending, sell off 90 percent of its industrial shareholdings and dispose of nearly all its European retail banking subsidiaries.

These decisions suggest that the government has been forced to abandon much of Crédit Lyonnais's role as an institution that traditionally functioned as an arm of government industrial and financial policy.

Although both Mr. Balladur and Edmond Alphandéry, the finance minister, have both insisted that taxpayers would not have to pay any more money for the government's rescue, a senior French official conceded privately that "there is no free lunch and this could cost money."

The rescue has been packaged as a highly complex reshuffling of 135 billion francs of assets, of which 50 billion francs is industrial shareholdings and the rest is

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END OF A REVOLT — A woman outside a barracks of rebel police Friday near Baku, Azerbaijan. Troops took the barracks. Page 2.

## Wartime Japan Hoped to Dump Horror Weapons on U.S.

By Nicholas D. Kristof  
*New York Times Service*

MORIOKA, Japan — He is a cheerful old farmer who likes as he serves rice cakes made by his wife, and then he switches easily to explaining what it is like to cut open a 30-year-old man who is tied naked to a bed and dissect him alive, without anesthetic.

"The fellow knew that it was over for him, and so he didn't struggle when they led him into the room and tied him down," recalled the 72-year-old farmer, then a medical assistant in a Japanese Army unit in China in World War II. "But when I picked up the scalpel, that's when he began screaming."

"I cut him open from the chest to the stomach, and he screamed terribly, and his face was all twisted in agony. He made this unimaginable sound, he was screaming so horribly. But then finally he stopped. This was all in a day's work for the surgeons, but it really left an impression on me because it was my first time."

Finally, the old man, who insisted on anonymity, explained the reason for the vivisection: the prisoner, who was Chinese, had been deliberately infected with the plague, as part of a research project, the full horror of which is only now emerging, to develop plague bombs for use in World War II. After infecting him, the researchers decided to cut him open to see what the disease does to a man's inside.

That research program was one of the great secrets of Japan during and after World War II: a vast project to develop weapons of biological warfare, including plague, anthrax, cholera and a dozen other pathogens. Unit 731 of the Japanese imperial Army conducted research by experimenting on humans and by "field testing" plague bombs by dropping them on Chinese cities to see whether they could start plague outbreaks.

A trickle of information about the germ warfare program has turned into a stream and now a torrent. Half a century after the end of the war, a rush of books, documentaries and exhibitions are unlocking the past and helping arouse interest in Japan in the atrocities committed by some of Japan's most distin-

guished doctors. Scholars and former members of the unit say that at least 3,000 people — and by some accounts several times that number — were killed in the medical experiments; none survived. No one knows how many died in the "field testing."

It is becoming evident that the Japanese officers in charge of the program hoped to use their weapons against the United States. They proposed using balloon bombs to carry disease to America, and they had a plan in the summer of 1945 to use kamikaze pilots to drop plague-infected fleas on Diego.

The research was kept secret after the end of World War II in part because the U.S. Army granted immunity to the Japanese researchers.

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## AIDS Kills the Future of Africa's Young

By Stephen Buckley  
*Washington Post Service*

KAKUUTO, Uganda — Elizabeth Nakawesi, 17, became head of her household at 13.

In 1989, her mother died of AIDS. In 1991, AIDS killed her father. That left Elizabeth to care for her four brothers and sisters, now aged 10 to 15.

Instead of spending her days in school, she spends them making straw mats and cultivating her family's half-acre of banana trees. She makes \$40 a year.

"It is painful to have no parents," Elizabeth said recently, sitting in her family's battered clay hut. "If they were here, they

would take care of us. We would have the things we do not have."

Her plight has become a familiar one in Africa, where AIDS has left millions of children without parents and has afflicted thousands of others who contracted the virus through their mothers.

Statistics on the impact of AIDS among African children are sketchy but nonetheless grim. Unicef predicts that by 1995, up to 5 million African children will have lost their mothers to AIDS. Of the 9.5 million people in sub-Saharan Africa who either have the human immunodeficiency virus, or HIV, that causes AIDS, or the disease itself, an estimated 1.3 million are children.

AIDS has ravaged the continent in part

because of cultural mores that assent to men maintaining sexual partnerships with more than one woman. Researchers also have found that a high rate of nonfatal sexually-transmitted diseases among both genders has made Africans more vulnerable to HIV.

AIDS specialists fear that the impact of the disease on children will slash school enrollments, roll back gains in infant mortality rates and further tax family structures already shattered by political and economic crises in many African countries.

Uganda's AIDS crisis is among the most urgent in Africa, as 1.5 million of the

See AIDS, Page 4

## First the Peso, Then the Mexican Dream

By Douglas Farah  
*Washington Post Service*

MEXICO CITY — Maris and Catalina Martinez were living the Mexican dream.

The sisters attended a university, got jobs they wanted and, with easy credit, bought things their parents could only dream of, becoming part of the new middle class that sprang up here in the 1980s.

The creation of a true middle class, with purchasing power and a belief in getting

as pressing as the economic problems have become, family members repeatedly pointed out that what has been destroyed is not just a way of life, but the social contract built on faith in the government.

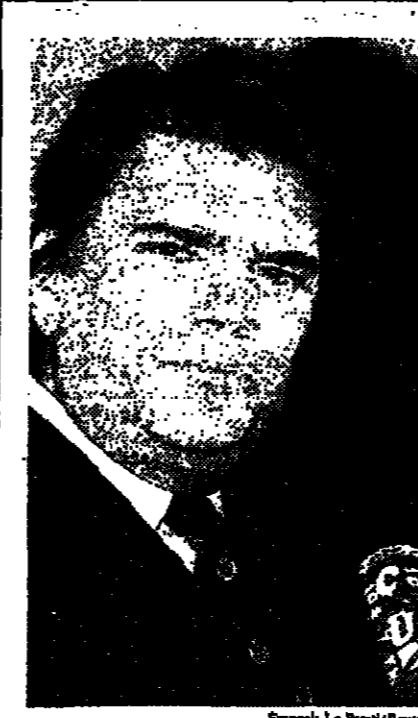
"Of course we had high expectations," said Catalina, a professor of psychology at the Ibero-American University, as she rocked her son. "And now what about my son? I already have to recognize he will probably not be able to go to a good school. I can't save anything for his education. I have no doubt he will have a difficult future."

Done, the family said, are the occasional outings to the theater, restaurants or vacations that were once almost routine. Gone, too, is systematic saving or planning for the future.

Carlos Martinez, who at 70 is proud of his daughters' achievements, said bitterly that anyone who "thinks life will get better is a dreamer, because every president here

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Newstand Prices	
Andorra	9.00 FF Luxembourg: 80 L. Fr.
Antilles	11.20 FF Morocco: 12 Dh.
Cameroun	1,400 CFA Côte d'Ivoire: 8.00 Frs.
Egypt	1,400 GFA Jordan: 11.20 FF
France	9.00 FF Saudi Arabia: 8.00 Fr.
Gabon	360 CFA Senegal: 980 CFA
Greece	350 Dr. Spain: 225 PTAS
Italy	2,500 Lira Thailand: 1,000 Din.
Ivory Coast	1,120 CFA Turkey: T.L. 45,000
Jordan	1,120 D.D. U.A.E.: 1,400 D.D.
Lebanon	U.S. \$1.50 U.S. M.R. (Eur.): \$1.10



ALIBI IN QUESTION — Bernard Tapie, former Marseille soccer team owner, at his bribery trial Friday in Valenciennes, France. New testimony dealt a blow to his alibi. Page 22.

## AGENDA

### Kiev Rushes Crack Troops to Crimea

LONDON (AFP) — Crack Ukrainian troops flown in from Kiev surrounded the Crimean Parliament building in Simferopol on Friday night, according to a Radio Russia report monitored here by the BBC.

The task force, commanded by Ukraine's deputy interior minister, General Valeri Chernyshov, was insisting that Crimean troops guarding Crimea's president, Yuri Meshkov, surrender their weapons, the report said.

The Ukrainian Parliament abolished Crimea's presidency and constitution on Friday, and it ordered that Mr. Meshkov be charged with abuse of office.

It was the latest move in a long-running power struggle between Ukraine and the autonomous region of Crimea.

The Crimean Peninsula was transferred to Ukraine by the Soviet leader Nikita S. Khrushchev in 1954, but its ethnic Russian majority of 60 percent has campaigned for it to be returned to Russian control since the Soviet Union collapsed in 1991.

Leonid Kuchma, the Ukrainian president, backed the Parliament's action, but added: "Nobody is going to abolish Crimean autonomy."

Dow Jones	Trib Index
Up	Up
4.50	0.02%
4073.65	112.23
<b>The Dollar</b>	
Up	Up
1.3857	1.3855
Pound	1.5884
Yen	89.10
FF	4.9543
prev. close	
1.3855	
1.5885	90.20
4.9705	

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## Meet Lawrence Hanratty, Job's Younger Brother

NEW YORK — Jolted, jilted, hampered in a car crash and robbed, Lawrence Hanratty may be the unluckiest man in New York.

Nearly electrocuted in a construction site accident in 1984 that put him in a coma for weeks, Mr. Hanratty lost the lawyers who were fighting for his disability claim — one was disbarred, two died — and his wife ran off with her lawyer.

Mr. Hanratty has spent years fighting heart and liver disease. His car was wrecked in a crash last year, and when the police left the scene of the accident, he was held up and robbed.

"I say to myself, 'How much more am I going to be tested in life to see how much I can endure?'" the hapless Mr. Hanratty said.

As if he hasn't tolerated enough hardship, the 38-year-old Mr. Hanratty said an

insurance company now wants to cut off his worker's compensation benefits, and his landlord has threatened to kick him out of his apartment.

Depressed and suffering from agoraphobia, a fear of open spaces, Mr. Hanratty uses a canister of oxygen and takes 42 pills a day for his heart and liver ailments. But he is not giving up yet.

"There's always hope," he said.

# Sinn Fein Chief Says U.K. Agrees to High-Level Talks

Compiled by Our Staff From Dispatches

**WASHINGTON** — Gerry Adams, the leader of the Irish Republican Army's political wing, said Friday that Sinn Fein and the British government were discussing agendas for upgrading the peace talks on Northern Ireland to ministerial level. He added that he believed such talks would take place in the next few weeks.

Mr. Adams's announcement at a news conference appeared to indicate a breakthrough in the peace process.

Sinn Fein has been demanding ministerial-level talks with the British. But London had said that the IRA had to give up its arms before those talks could take place.

Mr. Adams said early this month that talks with Britain could include "decommissioning" of arms. It is believed that comment helped persuade President Bill Clinton to drop a ban on Mr. Adams's raising funds in the United States

and to invite him to the White House for the St. Patrick's Day celebration Friday.

In London, Britain's Northern Ireland Office said it had not yet been decided whether ministers would join the exploratory dialogue for peace talks.

"That depends on the ministers' being satisfied that Sinn Fein is ready to engage in a constructive discussion of the decommissioning of arms and to join in an exploration of the ways by which that can be most effectively achieved," the office said in a statement.

Shortly after Mr. Adams's announcement, President Clinton, with Prime Minister John Bruton of Ireland at the White House, repeated U.S. calls for the IRA to give up its arms.

"To those who have laid down their arms, I ask you now to take the next step and begin to seriously discuss getting rid of these weapons so they can never be used again and violence will

never again return to the land," the president said.

Mr. Bruton, who said Sinn Fein was making a real effort to meet British demands, urged the IRA to make the "generous gesture" of being the first armed group to give up its weapons.

Mr. Adams insisted, however, that Sinn Fein could not bring about disarmament on its own. "We have no authority or control over arms," Mr. Adams said.

Mr. Bruton challenged that claim, telling reporters outside the White House that even though Mr. Adams lacked technical control of its arms, "he has tremendous influence over the IRA."

Mr. Adams declined to say if any concessions had been made to the British government to upgrade the talk. He said all issues would be on the table, but did not see the issue as being one of giving or making concessions.

He said that Sinn Fein's chief negotiator, Martin McGuinness, had been in contact with British officials as part of a continuing dialogue.

"I am pleased therefore to announce that we have moved — that is, we and the British officials — to a discussion of the agenda of meetings between Sinn Fein and British ministers," he said. "These meetings will take place sooner rather than later. That is my firm expectation."

At his news conference, Mr. Adams was asked about the discovery of a bomb in the Northern Irish border town of Newry on Thursday evening and repeated his earlier assertion that it was a British sabotage attempt.

"I think it's obviously an element of British dirty tricks," he said. "It is a distraction from the process and totally unhelpful to it."

(AP, Reuters)

## Azeri Troops Crush A Mutiny by Police Security Minister Says Rebels Plotted to Kill the President

Compiled by Our Staff From Dispatches

**BAKU, Azerbaijan** — The Azerbaijani Army crushed a rebellion by mutinous policemen in a fierce battle in Baku on Friday. President Heydar A. Aliyev said the rebels' leader was fatally wounded in the fighting.

Russia's NTV independent television reported that up to 80 people had been killed in the fighting. Interfax news agency said 30 people had died. No independent confirmation was available.

Western oil companies, meanwhile, evacuated non-essential staff, casting a cloud over a multibillion-dollar deal signed last year with the Azerbaijani government.

The government said that rebels belonging to a special police force had aimed to seize and assassinate Mr. Aliyev. Addressing a cabinet meeting that was televised nationwide, Defense Minister Safar Abiyev said that the mutiny had been suppressed.

"The rebels have been defeated and our troops are returning to their garrisons," he said.

Rovshan Dzhavadov, one of two brothers commanding the police force, died after being shot by government troops at the barracks, President Aliyev announced on television. Mr. Dzhavadov held the post of deputy interior minister until his dismissal earlier this week.

The brothers had accused the government of corruption and demanded the resignations of the president, the interior minister and the Parliament speaker, as well as the creation of a coalition government.

"There was no way to avoid

bloodshed," Mr. Aliyev, 71, a former Soviet Politburo member who has been in power since June 1993, said in a somber address to the nation. "We had to protect the state."

The minister of national security, Namig Abbasov, said that Mr. Dzhavadov had plotted a coup because he wanted to be interior minister of the Transcaucasian state, the third-biggest oil producer among the former Soviet republics.

"They planned to seize the president and kill him," he said.

Mr. Dzhavadov was at the center of a coup attempt last October, but eventually came out on the side of Mr. Aliyev.

But an order on Tuesday to disband the police under his command, after a minor fracas between rebel troops and local police in the northwest of the republic, left Mr. Dzhavadov stripped of his power base.

Defense Minister Abiyev said that government forces had attacked the headquarters of the rebels just outside Baku after the police tried to break out of their base overnight and capture the presidential palace.

In addition to the reported deaths, about 50 people were said to have been wounded in the government attack.

The fighting sent Western business executives scrambling for air tickets and cast a cloud over investment prospects for the former Soviet republic.

"I'm sending all our non-essential people out," said Ian MacGregor, logistics manager for British Petroleum-Statoil, which heads the Western consortium hoping to tap Azerbaijan's huge offshore oil reserves.

(AP, Reuters)



ST. PATRICK'S DAY, BRITISH STYLE — Queen Elizabeth II and the Queen Mother joined forces with noncommissioned officers of the Irish Guards on Friday to present shamrocks to the First Battalion Irish Guards at Chelsea Barracks in London.

## Yeltsin Fires Director Of Bolshoi

Compiled by Our Staff From Dispatches

**MOSCOW** — President Boris N. Yeltsin dismissed the director-general of the Bolshoi Theater on Friday and abolished the post after a long crisis at the institution.

Mr. Yeltsin's press service said that Vladimir Kokonin would be transferred to another, unspecified job.

The dismissal followed a protracted dispute over contracts and the theater's leadership, which culminated last week in a strike by performers.

In December, dancers delayed a performance of the ballet "Giselle" by 20 minutes. On March 10, dancers refused to perform altogether after Yury Grigorovich, chief ballet master and artistic director of the Bolshoi Ballet for 30 years, resigned on March 7 after a dispute with Mr. Kokonin.

The dancers, angered by the introduction of short-term contracts after years of long-term guarantees during the Soviet era, accused Mr. Kokonin of incompetence.

Fourteen company members have been suspended and are scheduled to appear in court Monday on charges of staging an illegal strike.

The 14, including several dancers, a choreographer and the orchestra conductor, were considered to be the ringleaders of the March 10 work stoppage.

(Reuters, AFP)

## BRIEFLY EUROPE

### Balkans at Top of Foreign Agenda

**PARIS** — European Union foreign ministers will assess increasingly urgent efforts to avert a new war in former Yugoslavia and discuss a long-term policy for stabilizing the Mediterranean region at informal talks this weekend.

They also will review relations with Moscow, stalled because of European concern over the Russian military crackdown on rebel Chechens, diplomats said.

The ministers are to meet Saturday and Sunday in Carcassonne, France. First on the agenda will be efforts led by France, which holds the EU presidency, to arrange a meeting of the leaders of Serbia, Bosnia and Croatia to head off renewed fighting in the Balkans. French officials warned of a "disaster scenario" in which renewed fighting following the expiration of the Bosnian cease-fire in April could spread beyond Bosnia and lead to the withdrawal of United Nations peacekeepers.

(Reuters)

### Chechnya Shadows V-E Day Events

**BONN** — President Boris N. Yeltsin will not attend ceremonies in London, Paris and Berlin this May marking the 50th anniversary of the Allied defeat of Nazi Germany, officials in Bonn said on Friday.

Also, Chancellor Helmut Kohl has not decided whether he will attend Russia's war anniversary celebrations on May 9 in Moscow, a government spokesman said. Speaking of Mr. Yeltsin, he said, "It has been clear for a while that he would not come and will not be in London, or Paris either."

The spokesman, Herbert Schmidling, declined to say whether Western disapproval of Moscow's military offensive in Chechnya was the reason for Mr. Yeltsin's absence and Mr. Kohl's hesitation. But other officials confirmed that Western concern about Chechnya had prompted changes in plans for the series of V-E Day ceremonies in Europe.

(Reuters)

### Hungary Unveils Austerity Plan

**BUDAPEST** — Finance Minister Lajos Bakros announced cuts in spending and a surcharge on imports, warning that the government would face insolvency without severe austerity measures.

The measures, unveiled one week after Hungary devalued the forint 9 percent, include an 8 percent import surcharge, reductions in social-welfare spending and cuts in government personnel.

"It is not our objective to increase our popularity," Mr. Bakros said. "We are facing up to a very severe crisis. The alternative is state bankruptcy."

### Judge Charges Ex-Aide to Chirac

**CRETEIL, France** — A former cabinet minister close to the front-running presidential candidate Jacques Chirac was charged Friday in connection with a corruption scandal that is edging its way to the inner circle of the governing conservative party.

Judge Eric Halphen charged the former minister, Robert Pandrand, with complicity in extortion and left him free on his own recognizance. Mr. Pandrand served as security minister from 1986 to 1988, when Mr. Chirac was prime minister.

Mr. Pandrand is prominent in Paris-region politics for the Rally for the Republic party of Mr. Chirac and Prime Minister Edouard Balladur, who is also a presidential candidate. The judge is investigating suspected illegal financing of the party through kickbacks, mainly on housing contracts.

### Hungary and Slovakia Reach Pact

**BUDAPEST** — Hungary and Slovakia, overcoming old animosities, will sign a basic treaty in Paris on Sunday, a Hungarian government spokesman said Friday.

Prime Minister Gyula Horn of Hungary and Prime Minister Vladimir Meciar of Slovakia concluded the pact Thursday after five hours of talks on issues including treatment of minorities, border guarantees, and water-sharing.

(Reuters)

## Bombings Move Bonn to Rescind Ban on Deporting Kurds

The Associated Press

**BONN** — The German Parliament voted Friday to permit the deportation to Turkey of up to 1,000 Kurds, after the police

said that suspected Kurdish militants hurled firebombs at Turkish businesses and mosques for a fourth straight night.

The vote did not signal an immediate start of mass deportations because the decision is ultimately up to Germany's individual states. Most states are run by opposition Social Democrats, who say they will not send the Kurds back.

But Bavaria's conservative government announced that a convicted heroin dealer and two other Kurds would be deported next week, the first to be sent home to Turkey in more than a year.

About 700 to 1,000 Kurds are in German jails awaiting deportation, Kurdish groups say. Some were arrested for criminal acts, while others had applied for political asylum and been turned down.

The police arrested 18 people

Friday after attacks against five travel agencies, three mosques and two German-Turkish cultural centers. Most, if not all, of the suspects were Kurds, said Alfred Ochsild, an anti-terrorist official in Stuttgart.

More than two dozen Turkish businesses, mosques and cultural centers have been firebombed in Germany and Switzerland in the last week. The attacks have caused damage but no injuries.

The police said they believed that the violence was being organized by the Kurdish Workers Party, which is fighting to establish a Kurdish homeland in southeastern Turkey.

The attacks appeared to be a reaction to the German deportations.

Germany is Turkey's most important trading partner, and Rome has been embarrassed by the attacks against Turkish citizens, many of whom have lived here for decades. But it is reluctant to mar its postwar image as a country that welcomes refugees by deporting people who face torture or death at the hands of Turkish security forces.

The bill defeated Friday in Parliament by a vote of 333 to 307, would have extended the moratorium on deportations.

It was offered by the Social Democrats and Alliance 90-Greens, who want lawmakers to complete hearings on the human rights situation in Turkey before resorting to deportations.

## Alawites Say Turkey Is Vowing to Make Amends

Compiled by Our Staff From Dispatches

**ISTANBUL** — Leaders of Turkey's minority Muslim Alawites met with Prime Minister Tansu Ciller on Friday and said she had promised to dismiss officials who "made mistakes" during four days of riots in which at least 17 people were killed.

Shortly before meeting the Alawite leaders, Mrs. Ciller said: "We will have an investigation into everything."

Witnesses said the police had fired directly at demonstrators in Istanbul and that during rioting in Ankara they had used

riot sticks and water cannon to disperse crowds.

Mehmet Basaran, chairman of the Alawite Karacaahmet Sultan Association in Istanbul, said after meeting Mrs. Ciller, "The prime minister said those who made mistakes will be relieved from duty and if necessary punished."

Despite the lifting of a curfew Friday imposed on one of the flashpoints of the clashes — Istanbul's sprawling Umraniye neighborhood, where four people were killed on Wednesday — discontent still simmered.

Unidentified attackers threw

firebombs at a mosque near Istanbul's Alawite suburb of Gazi and other targets Friday, the Anatolian News Agency said.

In Kadikoy, another suburb about 2,000 demonstrators called for the resignation of the interior minister for his handling of the riots, the worst to hit western Turkey since the 1980 military coup.

But they complain that Turkey does not respect their religious rights and that state money only goes to build mosques for the majority Sunnis population and to finance Sunnis religious education.

(Reuters, AFP)

## TRAVEL UPDATE

### U.S. Eases Irish Visa Requirements

**WASHINGTON** (Reuters) — Most visitors from Ireland will be allowed into the United States without a visa starting in April, the U.S. Immigration and Naturalization Service said on Friday.

The agency, announcing the change on St. Patrick's Day, said that under the program, most U.S. citizens would now be able to visit Ireland without a visa.

The visa waiver program allows nationals of a designated country to enter the United States as visitors for up to 90 days without having to get a visa from the U.S. embassy or consulate.

Strasbourg will be added to Sabena destinations, Sabena Belgian World Airlines SA announced. The airline also is adding extra flights to European destinations as well as to Istanbul, Casablanca and Chicago. Strasbourg will be served by four flights a day, Sabena said, adding that the number of flights would go up to two a day, from one, on routes from Brussels to Bilbao, Lisbon, Helsinki, Turin, Venice and Oslo.

Continental Airlines plans daily service between Newark, New Jersey, and Manchester, England this summer. The Houston-based airline said the nonstop Boeing 757 service would begin July 15.

(AP)

### UNITARIAN UNIVERSALISTS

BARCELONA: (34-3) 723-0158.

BRUSSELS: Tel.: (32) 2-260-0226.

OF (32) 2-260-0226 meets 3rd Sun. of month.

BERNE/BERN: Tel.: (41) 31-352-3721 or

(41) 52-220-0051.

HEIDELBERG: (49) 621 581 718.

KAISERSLAUTERN: (49) 633-6595.

PARIS: (33) 3-260-0226.

## Budget-Cutters Size Up Pentagon's Intelligence System

By Walter Pincus  
Washington Post Service

**WASHINGTON** — In the world of spying, the Central Intelligence Agency gets almost all the criticism. But the Pentagon's intelligence agencies, with vastly larger budgets and more personnel, are now top targets for reductions as the government moves to streamline post-Cold War espionage.

While the CIA's intelligence directorate has about 1,500 analysts, there are 13,000 in the military doing analysis; much of it derived from analyses already completed, according to a new study by current and former government officials and members of Congress.

Of the \$28 billion that the United States spends on gathering intelligence, Pentagon-managed agencies absorb four-fifths of the budget. They include the supersecret National Security Agency, which conducts worldwide electronic eavesdropping; and the National Reconnaissance Office, which manages the spy satellites.

As the president's new bipartisan Commission on the Roles and Capabilities of the Intelligence Community begins its work, the Pentagon agen-

cies are a central focus, officials said. The commission is headed by Les Aspin, the former defense secretary.

"Consolidation should begin in the Department of Defense, where duplication in organization and process is the most extensive and obvious," according to the new study, produced by a panel assembled by Georgetown University's Institute for the Study of Diplomacy.

Earlier this year, Robert M. Gates, a former director of central intelligence, suggested the creation of a director of military intelligence who could consolidate "functions that are duplicated in the service intelligence organizations."

In contrast to the CIA budget of about \$3 billion a year, the National Security Agency receives \$4 billion; the National Reconnaissance Office, nearly \$7 billion; and the Central Imagery Office, which with other agencies takes photographs from space, more than \$1 billion.

The Pentagon's dominance of the budget began during the 1970s, when there was an industrial revolution in the field. The technical collection systems, on land and later in space, began upstaging the CIA and its human intelligence

resources. The intercepted messages and startling pictures from space impressed presidents and drew enormous spending increases.

In the 1970s, Donald Rumsfeld, then secretary of defense, was asked by the White House to give control of the new intelligence satellites to the CIA and he responded, "If they're in my budget, I'll run them." It's been that way ever since.

Another Pentagon area is the single biggest part of the intelligence community, the roughly \$12 billion that goes to the area called Tactical Intelligence and Related Activities, or TIARA. That is the label for funds for the Pentagon's most important intelligence function: support for each individual service's wartime operations. That money also includes overlapping analysis, clandestine and overt information collection, the Army Mapping Service, and operations that almost never see the light of day.

Another Pentagon agency that faces close review is the Defense Intelligence Agency, with a \$600 million budget.

Created during the Kennedy administration, the DIA's role, according to the Georgetown study, was "to subsume the separate air force, army, Marine, and navy intelligence organizations."

When Congress asked how many other computers the NSA had and how this new one would be used, NSA officials refused to get into details, saying they could not talk to anyone about cryptology.

"It took us months to get them to work out a plan for us," recalls Dennis DeConcini, the retired chairman of the Senate Intelligence Committee.

### POLITICAL NOTES

#### How to Be a Lobbyist: The Course

**TRENTON**, New Jersey — They got their name by lurking around the lobbies and halls of legislative chambers, grabbing the lawmakers as they came and went, urging, whispering, promising, threatening, begging.

Of course, they prefer to call themselves "legislative agents" or better yet, "public policy advocates." But whatever they are called (and sometimes it is unprintable), they have become such important fixtures around the capitol in Trenton that a local university now offers a course on lobbying and its eternal variant, counter-lobbying.

In Public Policy Advocacy, Rutgers University course number 970:672, business executives, a handful of actual lobbyists and a few graduate students study in Stephen Salmore's class.

Real-life lobbyists visit the once-a-week class, taught in the very shadow of the State House dome, to sift the evidence from some of the recent battles that have played out in the offices, hallways and yes, lobbies of the State House, analyzing what went wrong or right, and how it might have been done (or undone) differently. (NYT)

#### House Slates \$17 Billion in Cuts

**WASHINGTON** — The House has passed a bill making \$17.1 billion in spending cuts, a move Republicans acclaimed as the first step in improving the nation's fiscal health.

The bill makes cuts in dozens of programs, particularly low-income housing, environmental, education and job training programs. At the same time it makes available \$5.4 billion to pay for disaster relief in California and 39 other states.

But a proposal to cut money from the National Endowment for the Arts, whose projects many conservatives deem immoral and anti-American, was defeated.

The bill now goes to the Senate, where there will be pressure to match the total spending reductions approved by the House. The Senate is certain to put its imprint on the bill, cutting different programs than the House, possibly including the military. (WP)

#### Transportation Inquiry Ended

**WASHINGTON** — Attorney General Janet Reno has passed a Justice Department inquiry that could have led to the appointment of an independent counsel to investigate Transportation Secretary Federico F. Peña.

The department's criminal division had been investigating Mr. Peña's ties to the troubled international airport in Denver, where he once served as mayor. They also examined any role Mr. Peña might have played in the awarding of a Los Angeles transit system contract to his former investment firm.

In a statement issued Thursday, Justice Department officials said they had concluded that "the criminal division has found no specific and credible evidence of any violation of federal criminal law." (WP)

#### Clinton Proposes Easing of Rules

**WASHINGTON** — President Bill Clinton has responded to the Republican-led attack on federal regulations by proposing to ease the burden on business imposed by environmental, safety and medical rules.

Mr. Clinton said that federal agencies should be allowed to waive fines levied against small companies for failing to comply with regulations, as long as the companies are first-time offenders and correct the violations.

He also said some businesses should be allowed to devise their own ways of meeting overall pollution-abatement goals, rather than being forced to follow a process dictated by Environmental Protection Agency regulations. (WP)

#### Quote/Unquote

Henry W. Foster Jr., the nominee for surgeon-general who has been attacked over a variety of issues: "I cannot say that there is an orchestrated effort to pick out minorities, but I can tell you it certainly looks fishy." (WP)

## Much-Vaunted Attack by Simpson Defense Leaves Few Scars

By David Margolick  
New York Times Service

**LOS ANGELES** — Detective Mark Fuhrman, an early investigator of the killings of O.J. Simpson's former wife and her friend, has now left the stand, far more intact than lawyers for Mr. Simpson would have liked.

In three days of intense questioning, F. Lee Bailey neither laid a very heavy glove on Mr. Fuhrman nor proved that the detective moved one in a brazen effort to frame Mr. Simpson.

Mr. Fuhrman may be recalled when the defense case begins, and much of what Mr. Bailey did this week was gather ammunition for attacking Mr. Fuhrman later on. But after a cross-examiner pummeled the defense for nearly four days, the defense seemed to have advanced only incrementally.

Erwin Chemerinsky, a professor of law at the University of Southern California, said Mr. Bailey had scored many points and could score more when the defense calls its own witnesses. But Mr. Bailey, he said, had not come through with what he had promised.

"He said in essence that he was going to destroy Mark Fuhrman," he said. "But the defense did not introduce a shred of evidence that Fuhrman planted the glove, and Bailey was never able to shake his composure and confidence."

"The defense wanted the jury to see Fuhrman as a hateful, spiteful man who would commit a felony because of his hate and spite, and it didn't happen."



F. Lee Bailey, the defense lawyer, pursuing his questioning of Detective Mark Fuhrman in court this week.

## Suspected Author Dismissed From Simpson Jury

The Associated Press

**LOS ANGELES** — A juror was dismissed from the O.J. Simpson trial Friday, apparently because the juror was suspected he was writing a book about the case.

The dismissed juror, a 52-year-old Amtrak manager who is half American Indian and half white, became the fifth panelist to be removed. He was

replaced by an alternate, a 60-year-old white woman who is a retired gas company clerk.

The reason for the dismissal was not announced, but people familiar with the case said the juror was suspected of writing a book about the case.

The dismissed juror was searched and a laptop computer was found.

The dismissed juror said later he was devastated.

## Russia Affirms Iranian Nuclear Deal

Reuters

**MOSCOW** — A Russian government official said Friday that Moscow would not bow to United States pressure to stop selling nuclear technology to Iran.

The step came after the U.S. Senate voted Thursday to block a nuclear cooperation deal with Russia if it goes ahead with a plan to sell nuclear reactors to Iran. Washington also plans to raise the issue at high-level talks next week.

The official, Yuri Kotov of the Russian Foreign Ministry's Asia department, told Russia's Interfax news agency that Moscow

would proceed with a contract worth up to \$1 billion to help Iran build a nuclear plant at Bushire on the Gulf coast.

Russia will not "follow orders from third countries," he said, brushing aside U.S. fears that the reactors could help Tehran develop a nuclear arsenal.

The Russian-Iranian program, he said, "does not differ in any way from the Americans' cooperation with, let's say, North Korea."

A senior U.S. official said this week that Secretary of State Warren M. Christopher would discuss the issue with Foreign Minister Andrei V. Kozyrev of Russia during talks in Geneva on March 22 and 23.

The official, Yuri Kotov of the Russian Foreign Ministry's Asia department, told Russia's Interfax news agency that Moscow

would proceed with a contract worth up to \$1 billion to help Iran build a nuclear plant at Bushire on the Gulf coast.

Russia will not "follow orders from third countries," he said, brushing aside U.S. fears that the reactors could help Tehran develop a nuclear arsenal.

The Americans are thinking about the future and do not want competitors appearing on Iran's capacious market," Mr. Kotov said.

Under the deal signed last month, Russia will help complete construction of one nuclear reactor in Iran, but Russian officials say Moscow could eventually build three more.

The Senate overwhelmingly approved the bill to block the nuclear cooperation pact with Russia if necessary.

## Away From Politics

The retrial of a teenager charged in the 1993 slaying of a British tourist was moved from the rural town of Monticello, Florida, to the city of Gainesville. Both sides said the outcome of the first trial, at which a mistrial was declared, would make it difficult to find enough impartial jurors in Jefferson County, which has only 12,000 residents. (AP)

Five dinosaur hunters who found the most complete Tyrannosaurus rex skeleton ever dug up have been acquitted in Rapid City, South Dakota, of charges they illegally collected fossils on federal land. (AP)

A man sentenced to death along with his brother and cousin for beating an elderly man to death was executed by injection by the state of Delaware. Nelson Shelton, 27, had declined to appeal his sentence. He made no final statement. (AP)

Five members of a tiny group describing itself as born-again Christian have been charged with beating a 25-year-old Korean woman to death during a ceremony to "cast out her demons," the police in Emeryville, California, said. The woman, Kyung-A Ha, was struck at least 100 times. (Reuters)

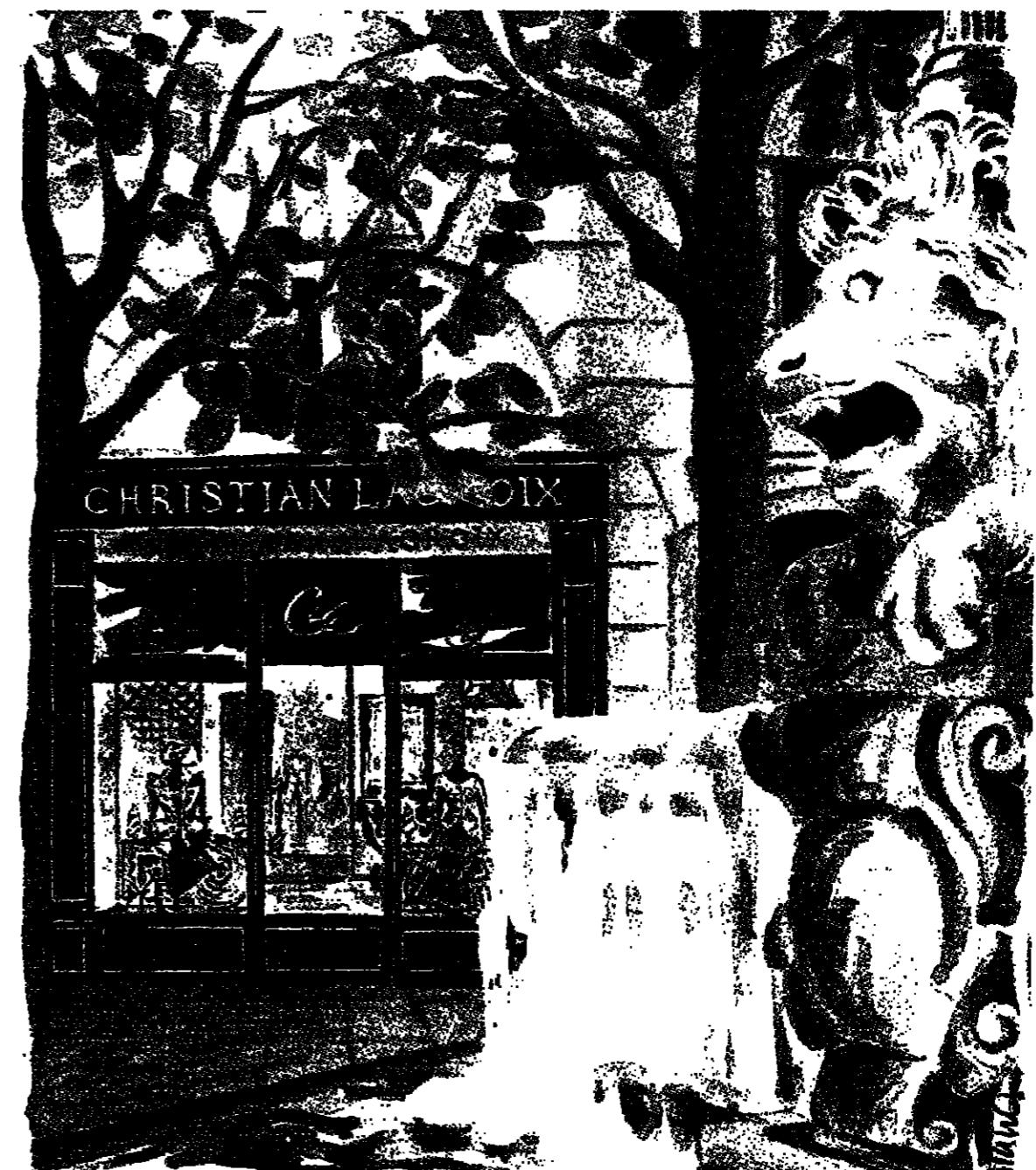
A fugitive sought in connection with a fire that killed four Seattle fire fighters has been arrested in Brazil. Martin Pang, 39, was taken into custody in Rio de Janeiro and charged with four counts of murder as well as arson in the Jan. 5 fire at his parents' warehouse, a Brazilian police official said. (AP)

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# Sicily Police Seize 15 Mafiosi After Wave of Killings

By Alan Cowell  
New York Times Service

ROME — With a speed that would once have seemed improbable, the police in Sicily have arrested 15 mobsters in a night of raids, accusing them of ordering or carrying out a wave of Mafia killings apparently designed to terrorize informers.

The police action, announced Friday, involved 500 men backed up by helicopters. It came after investigators bugged the home of a 34-year-old suspect and intercepted messages about some of the 11 executions that have taken place since Feb. 26 and at least two more that were planned.

For years, the rule in Sicily was that mob killings in the Mafia's heartland remained in-

scrutable, shielded by the Cosa Nostra's regime of *omerta* — the mob's oath of silence.

But since the 1992 slayings of two judges, Giovanni Falcone and Paolo Borsellino, and the collapse of Italy's old political order, investigators have felt emboldened to pursue inquiries with greater vigor, encouraged by the growing readiness of Mafiosi to collaborate.

The explosion in the number of so-called *pentiti* — informers, or literally "penitents" — enabled the authorities to round up countless mobsters, including the boss of all bosses, Salvatore Riina, two years ago.

Giulio Andreotti, the former prime minister, is to go trial accused of Mafia association in September. The charges against him, which he denies, are largely based on the testimony of *pentiti*.

Over the last month, though, it has seemed

that Sicily's crime clans were fighting back.

Two of the 11 slain persons were related to Mafia turncoats, including Tommaso Buscetta, the first to break the vow of silence. Mr. Buscetta, who is in the United States under a federal witness protection program, provided testimony that enabled the authorities to indict scores of Mafiosi in the 1980s.

Other killings, investigators said, apparently resulted from clan rivalries after the arrest Mr. Riina. Two killings took place in Mr. Riina's hometown, Corleone. The most recent was an ambush that killed two members of a prominent crime family Tuesday near Palermo.

The police declined to speculate about motives. Almost all the victims were gunned down in spectacular blazes of automatic gunfire — the Sicilian Mafia's chosen tactic.

One figure still being sought in connection

with both the recent killings and a host of other major crimes, including the murder of Mr. Borsellino, is Pietro Aglieri, one of Sicily's highest-ranking Mafiosi.

The raids Thursday, investigators said, were designed to round up the organizers and gunmen directly involved in the shootings.

The police had bugged the home and telephone of Salvatore Barbagallo, one of the accused killers, and intercepted conversations relating to the murders, investigators said. Confronted with the intercepts before last night's raid, Mr. Barbagallo identified the other Mafiosi arrested in the crackdown.

The informer was said to have told investigators that their raid resembled a Mafia operation.

"You move just like us, studying the terrain before you act so the victim has no chance of escape," the police quoted him as saying.

## Centrist-Party Split May Imperil Dini

### Uncertainty Drives Down Lira

Reuters

ROME — A split in the centrist Popular Party brought new political turmoil to Italy on Friday and raised more questions about Prime Minister Lamberto Dini's chances of survival.

The split, which some analysts believe could tip the balance of power in Parliament against Mr. Dini, drove home the deep political uncertainty that helped send the far skidding against the Deutsche mark. It fell to a record low of 1,232 lire to the German unit.

The Popular Party, successor to the Christian Democratic Party, which governed Italy for 50 years, has divided over the plan of its leader, Rocco Buttiglione, to join with Silvio Berlusconi's conservative Freedom Alliance voted against Mr. Dini on Thursday in a move to force a general election.

Mr. Buttiglione's opponents on the left of the party elected their own leader, Gerardo Bianco, on Thursday night. They want to rally behind Romano Prodi, a Catholic economist who is building a center-left coalition to challenge former Prime Minister Berlusconi in a general election expected this year.

The small Popular Party has until now solidly supported Mr. Dini and his stop-gap government, which was installed two months ago from outside the stalemated Parliament.



Jean Peyrelade, the chairman of Crédit Lyonnais, listening Friday while the government outlined its rescue plan.

## Talks Stall in EU-Canada Fish Dispute

Reuters

BRUSSELS — Efforts to resolve a fishing dispute between the European Union and Canada stalled on Friday after Cana-

da recalled its chief negotiators to Ottawa and a special international meeting on the issue was canceled.

An EU source said a meeting of the Northwest Atlantic Fisheries Organization, set for March 22 to March 24 to try to settle the dispute, was scrapped after Canada and Russia refused to attend.

"The meeting will not take place next week," the source said. No new date has been set.

The EU says the main issue in the dispute, which led to the capture of a Spanish trawler, the *Estai*, on March 9, is the legality of unilateral Canadian measures to protect dwindling fish stocks that straddle Canadian and international waters.

Canada and the European Commission started talks on Thursday after the release of the Spanish vessel, which Canada said was overfishing Green-

land halibut, or turbot, the last

major fish resource in the northwest Atlantic.

"It's very important that we stick to our guns on the main issue — that is the legal situation," said Nikolaus van der Pas, a commission spokesman.

"The boat was seized illegally in international waters."

Canada says it was forced to act to stop illegal fishing of undersized fish. It justified its action under international law by the doctrine of "necessary defense."

Jacques Roy, Canada's ambassador to the EU, issued a statement Friday explaining that the Canadian negotiating team needed to consult with the political authorities in Ottawa.

Mr. Roy also said that Canada had asked for the postponement of the fishing organization meeting.

The commission, which ne-

gotiates for the 15-nation EU, said Canada's unilateral mea-

sures were illegal. It added that it was dismayed by the "refusal" to attend the meeting.

A spokesman said Canada

was trying to extend jurisdiction over EU vessels beyond its 200-mile (320-kilometer) territorial limit and impose a unilateral 60-day ban on fishing for halibut.

Mr. Roy said that telephone contact would be maintained from Ottawa, and that EU and Canadian experts would continue work on conservation measures.

The commission said it was

ready to develop a satellite fish-

erie monitoring system and to

accept observers from the

North Atlantic Fishing Organiza-

tion, provided they were on

all vessels.

It rejected Canadian allega-

tions that the intercepted Span-

ish trawler had used illegal nets

to catch undersized fish.

## BANK: Crédit Lyonnais to Shrink

Continued from Page 1

Crédit Lyonnais assets and loans in the property, cinema and financial sectors.

The shuffle, in essence, involves Crédit Lyonnais lending money to a state company, which in turn will lend these funds to a new Crédit Lyonnais subsidiary that will contain the bank's transferred assets.

The 135 billion francs of assets are to be transferred from the bank's balance sheet to a new Crédit Lyonnais subsidiary, a holding company to be called Consortium de Réalisation.

The assets being shifted to the consortium will include 42 billion francs of property loans, of which 28 billion are possible loan losses, plus Crédit Lyonnais's specialized banking companies Altus, Société de Banque Occidentale and Banque Colbert.

The bank's cinema holdings, including MGM and theater chains, also are to be transferred to the consortium.

The transfer will be funded by a loan to the consortium of up to 135 billion francs from a state-owned intermediary, SPBII, while Crédit Lyonnais will, in turn, finance SPBII's loan to the consortium, its own

subsidiary, with a separate loan of 145 billion francs. The bank will then have to channel between 34 percent and 60 percent of its future pretax profits to SPBII, the state company.

This state intermediary, meanwhile, will buy up to 10 billion francs worth of bonds that, in theory, should yield funds over a 20-year period to be used to cover loan losses.

Treasury officials said Friday that Crédit Lyonnais's 1994 loss of 12 billion francs would be covered by funds already injected by the government since 1993.

As a result of this complex operation, and the bank's poor financial condition, French Treasury officials, including Mr. Alphandéry, conceded Friday that the planned privatization of Crédit Lyonnais would now be put off by at least five years.

Mr. Alphandéry, meanwhile, repeated Friday his charges that fraud had played a part in losses at the bank, including fraud connected to the bank's financing of the 1990 purchase of MGM. He declined to go into specifics, except to say that no wrongdoing had been found to have been committed by Jean-Yves Haber, Mr. Peyrelade's predecessor.

## Berlin Plans A Memorial Of Holocaust

The Associated Press

BERLIN — Berlin will put up Germany's first memorial to victims of the Holocaust in the heart of the city where the extermination of the Jews was planned.

The memorial will be situated in a highly symbolic location, near the site of Hitler's chancellery and bunker, just off Wilhelmstrasse, which was the street of government ministries until the end of World War II.

This has come 50 years too late but at a moment that is again marked by violence against foreigners, intolerance and anti-Semitism.

The memorial will be

erected in a highly symbolic

location, near the site of

Hitler's chancellery and

bunker, just off Wilhelm-

strasse, which was the

street of government minis-

tries until the end of World

War II.

The Japanese Army, which was occupying a large chunk of China, evicted the residents of eight villages near Harbin in Manchuria to make way for the headquarters of Unit 731. One advantage of Unit 731, from the Japanese point of view, was the availability of research subjects on whom germs could be tested. The subjects were called *marutac* or logs, and most were Communist sympathizers or ordinary criminals. The majority were Chinese, but there were also many Russian expatriates living in China.

Japan's biological weapons program was born in the 1930s in part because Japanese officials were impressed that germ warfare had been banned by the Geneva Protocol of 1925. If it was so awful that it had to be banned under international law, the officers reasoned, it must make a great weapon.

The Japanese Army, which

was then occupying a large

chunk of China, evicted the

residents of eight villages

near Harbin in Manchuria to

make way for the headquarters

of Unit 731.

Sheldon H. Harris, a histori-

an at California State University, in Northridge, estimates that more than 200,000 Chinese

were killed in germ warfare

field experiments.

Mr. Harris, author of a book on Unit 731, "Factories of Death" — also says that plague-infected

animals were released as the

war was ending and caused out-

breaks of the plague that killed

at least 30,000 people in the

Harbin area from 1946 through

1948.

The leading scholar of Unit

731 in Japan, Keisichi Tsumeshi,

is skeptical of such numbers.

Mr. Tsumeshi, a professor who

has led the efforts in Japan to

uncover atrocities by Unit 731,

says that the attack on Ningbo

killed about 100 people and

that there was no evidence for

huge outbreaks of disease, set

off by field trials.

Many of the human exper-

iments were intended to develop

new vaccines or treatments for

medical problems that the Japa-

nese Army faced. Many of the

experiments remain secret, but

an 18-page report prepared in

1945 — and kept by a senior

Japanese military officer until

now — includes a summary of

the unit's research. The report

was prepared in English for

American intelligence officials

and it shows the extraordinary

range of the unit's work.

Scholars say that the research

was not confined by mad sci-

entists, and that it was intelli-

gently designed and carried out. The

medical findings saved many

Japanese lives.

For example, Unit 731

proved scientifically that the

best treatment for frostbite was

not rubbing the limb

Violence  
UN Force  
Commander Assail  
is Helpful to Se

## Ignoring Mercy Pleas, Singapore Hangs Philippine Maid

Agence France-Presse

SINGAPORE — Singapore on Friday hanged a Philippine maid convicted of a double murder, despite protests in her country and a last attempt by lawyers to delay the execution.

Flor Contemplacion, a 42-year-old mother of four, was executed at dawn at the Changi high-security jail as a small group of Philippine lawyers and friends held a vigil outside the gates.

Two Thais and a Malaysian, all convicted for trafficking in marijuana, also were hanged Friday morning, an official said.

Singapore's president, Ong Teng Cheong, rejected an appeal Wednesday by President Fidel V. Ramos of the Philippines to postpone the maid's execution.

The government said that there was no merit in claims by Mrs. Contemplacion's lawyers that

they had new evidence to support a stay of her execution and retrial.

In an 11-hour attempt to delay the hanging, Singaporean and Philippine lawyers flew in a former inmate at Changi who claimed Mrs. Contemplacion had denied the murders despite having pleaded guilty during her trial.

"I believe in her innocence," the woman, Virginia Parunog, 21, said in a news conference. She said Mrs. Contemplacion told her that she had been under duress before the court hearings.

A Singapore government official denied Miss Parunog's claims earlier as "completely baseless."

Jose Aguil Grapilon, executive director of the Philippine Integrated Bar and one of several Philippine lawyers here, said he was saddened by news of the execution.

"We really feel that given enough time, we could have somehow done something to save her," Mr. Grapilon said. "In a different atmosphere, given proper help, she could have been saved."

Mr. Grapilon said that Filipinos could take comfort from the fact that "we tried everything up to the very last minute."

Mrs. Contemplacion was sentenced to death in April last year for the May 4, 1991, murders of another Philippine maid, Della Maga, 35, and Miss Maga's 5-year-old charge, Nicholas Huang.

Miss Maga was found strangled with an elastic cord in the five-room apartment where she was employed, while the boy was found drowned with his head in a half-filled pail.

Mrs. Contemplacion was arrested hours after the two bodies were found. At her trial, she said

she could not understand why she was overcome by an urge to harm Miss Maga while chatting with her.

Mrs. Contemplacion made a tearful farewell Thursday to her children, aged 15 to 21.

The Singapore government on Wednesday also dismissed a claim by another Philippine woman, who said she had overheard conversations pointing to Mrs. Contemplacion's innocence.

The Singapore government carefully investigated this "new evidence" and found it to be untrue, a government statement said, adding that Mrs. Contemplacion admitted both murders at her trial.

There are 65,000 Philippine servants in Singapore, each earning a minimum of 250 Singapore dollars (\$177) a month.



INTEGRATED PARADE — Women in a South African signal regiment passing in review Friday near Pretoria. The unit incorporates members of the former Defense Force and of the military wing of the African National Congress.

## Lord Lovat, Who Led Troops to Piper's Tune on D-Day, Dies

Reuters

LONDON — Lord Lovat, 83, the Scottish aristocrat who led his brigade onto the beaches of Normandy on D-Day with a Highland pipe at his side, died Thursday.

During the D-Day assault on German-occupied France on June 6, 1944, Lord Lovat refused to take cover, standing up all the time to inspire his commandos.

In the thick of battle, his Scottish pipe, Bill Millin, said of Lord Lovat: "He was strolling along at the head of the column as if he were out for a walk round his estate in Scotland."

Not long into the fighting, Lord Lovat was badly wounded and flown back to Britain.

Lord Lovat was the 17th Baron and 24th Chief of the Clan Fraser of Lovat, who in his military career won Britain's Distinguished Service Order, the Military Cross and France's Croix de Guerre.

Greatly admired by Churchill, Lord Lovat was offered a political career after the war.

But he preferred to go home and resume control of his ancestral lands.

Lord Lovat handed over his estate to his family in 1965 because of his fear of death duties and the family's history of heart trouble, but the decision proved a disaster and the estate went into decline.

Odette Hallows, 82, Agent

for Britain in World War II

LONDON (AP) — Odette Hallows, 82, a British agent tortured by the Gestapo in World War II and the first woman awarded the George Cross, died Monday at home in Walton-on-Thames.

Mrs. Hallows, a native of France, was awarded the George Cross, Britain's second-highest honor, in 1946 and France's Legion of Honor in 1950. Her story was made into a 1950 film, "Odette."

As Odette Sansom — she married Roy Sansom, an Englishman in 1931 — she volunteered for the First Aid Nursing Yeomanry in 1940. She soon

came to the attention of the

Special Operations Executive, which was working with the French Resistance.

In November 1942, she landed by boat in the south of France on a mission to set up a Resistance network in Auxerre. When that mission was abandoned, she went to work with the Resistance network in Cannes, operated by Captain Peter Churchill, whom she later married.

Within weeks, German and Italian forces swept through the Cote d'Azur, forcing them to flee to the Alps, where she was betrayed and arrested.

Mrs. Hallows endured 14 sessions of interrogation in a Paris prison, where her back was burned with a hot iron and her toe nails wrenched out. She refused, however, to identify two agents.

She married another former British agent, Geoffrey Hallows, in 1956.

Ahmad Khomeini, 48, Son of Late Iranian Ayatollah

NICOSIA — Ahmad Khomeini, 48, the son of

the author of a wide range of

Iran's late spiritual leader Ayatollah Ruhollah Khomeini, died Friday, the official Iranian press agency IRNA said.

Mr. Khomeini, a cleric who had an informal role in Iran, was taken to a hospital in Tehran on Sunday after a heart attack.

Mr. Khomeini was his father's closest aide during the decade the ayatollah was at the helm of the Islamic republic until his death in 1989.

He held no government position but was a member of several policymaking councils and had the high-profile position of overseer of his father's shrine south of Tehran.

Henry R. Lieberman, 78, a former foreign correspondent and editor for The New York Times, died of a stroke Wednesday in New York.

Wolfgang Harich, 71, a philosopher who was jailed in East Germany in 1957 for his criticism of communism, died Wednesday in Berlin.

Heinrich Stuttermeier, 85, the author of a wide range of

orchestral and operatic works, died of heart failure Thursday in Morges, Switzerland.

Ronnie Kray, 61, a convicted murderer who shared gangland notoriety with his twin brother in the 1960s, died Friday after collapsing in prison.

Tomio Yamamoto, 66, a for-

mer Japanese agriculture minister who actively opposed the liberalization of the rice market, died in Morges, Switzerland.

Ronnie Kray, 61, a convicted

murderer who shared gangland

notoriety with his twin brother in the 1960s, died Friday after collapsing in prison.

Magda Lanculescu, 66, a sop-

ranço who was Romania's top

opera singer, died Thursday af-

ter suffering a stroke.

## Clinton Urged to Cut Secret Data for UN

By R. Jeffrey Smith  
Washington Post Service

WASHINGTON — The Republican leadership of the House and the Senate has asked President Bill Clinton to suspend most sharing of U.S. intelligence with the United Nations pending completion of a government investigation into whether and how the UN mishandled classified documents in Somalia.

Newt Gingrich of Georgia,

the House speaker, and Bob Dole of Kansas, the Senate majority leader, said in a letter that the disclosure of some unprotective U.S. secrets at a vacated UN office in Somalia late last month called into question the adequacy of existing U.S. procedures and policies for intelligence-sharing.

The lawmakers, who were joined by six Republican committee chairmen with jurisdiction over intelligence and UN matters, said they realized that the incident was still being in-

vestigated, but noted that "the potential for the disclosure of intelligence sources and methods was significant."

They said the government's investigation should "receive the highest possible priority," and that in the meantime Washington should only share intelligence needed to protect the safety of deployed forces in UN peacekeeping operations.

They also said the investigation — being conducted by the inspector-general of the U.S.

“political — part of an existing style of attacking the UN.”

### BOOKS

AMERICAN TABLOID  
By James Ellroy. 576 pages. \$25.  
Alfred A. Knopf.

Reviewed by Janet Maslin

A CHARACTER in James Ellroy's densely malevolent new novel, "American Tabloid," says, "I'm saying it's so big and audacious that we'll most likely never be suspected," as he proposes a plot to assassinate President John F. Kennedy.

"I'm saying that even if we are, the powers that be will realize that it can never be conclusively proven. I'm saying that a consensus of denial will build off of it. I'm saying that people will want to remember the man as something he wasn't. I'm saying that we'll present them with an explanation and the powers that be will prefer it to the truth, even though they know better."

Ellroy, a skilled purveyor of brutally tough prose, assumes the same sort of guiltiness on his readers' part. Tapping into an enduringly popular vein of paranoid fantasy, he extrapolates

from Kennedy's assassination to create a scheme that's as intricate as it is irresponsible.

Oliver Stone's "JFK" looks like the Disney version beside Ellroy's web of triple-dealing operatives, hapless thugs and public figures — including Howard Hughes, J. Edgar Hoover and Jimmy Hoffa — whose private activities are freely imagined and embroidered here.

What command attention are the sheer intricacy of the author's plotting, the depth of his bottomless cynicism and the staccato energy of his prose.

Though California crime stories are his usual milieu, Ellroy segues into political intrigue without missing a beat or changing his tune. Deadly mayhem rears its head at regular intervals. ("They left a cable clamped to Sal's tongue. Voltage burned his face shiny black." "Pete blew his brains out halfway through a rosary.")

Navigating their way through this novel's sea of crooks and opportunists are three pivotal tough guys who give the story its back-stabbing intensity.

One is Kemper Boyd, "still too handsome to live," who is attracted to the Kennedy family even as he agrees to spy on them for Hoover, and whose taste for

high living lands him on the payrolls of the FBI, the CIA and the U.S. Senate Select Committee on Investigations.

Another is Ward Littell, a friend of Boyd's and ex-Jesuit seminarian, with an admiration for Robert Kennedy that turns dangerous during the story.

There's also Pete Bondurant, the Canadian bit man and extortionist who is responsible for many evils, including the deaths of his own parents and brother.

"People have this tendency to tell me things they don't want to," Pete says, with admirable understatement.

The chicane that Ellroy creates for this threesome is so complicated that it requires constant summarizing and repeating of plot points. Memos, letters and transcripts of taped conversations are all too necessary to make this story "slow and easy for the stupes in the peanut gallery."

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**Herald Tribune**

INTERNATIONAL HERALD TRIBUNE  
THE WORLD'S DAILY NEWSPAPER

INTERNATIONAL

# Herald Tribune

INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Clinton's Gamble on Ulster

There was more to celebrate than usual on this Saint Patrick's Day. After centuries of animosity between the British and the Irish, decades of civil warfare and a terrible record of violence — especially on the part of the Irish Republican Army and its supporters — peace appears to be on the horizon. There has been plenty of compromise all around, and leaders on both sides of the Irish Sea have good cause to celebrate the progress made.

In his enthusiasm to help the peace process, President Bill Clinton has paid special attention to Gerry Adams, head of Sinn Fein, the political arm of the Irish Republican Army. A year ago, over the opposition of the British, Mr. Adams was granted a visa to visit the United States for the first time. On a subsequent trip, he was authorized to travel more extensively. And now his organization has opened an office in Washington and been given permission to raise funds in the United States. In addition, Mr. Adams was invited, with others, to the White House for a Saint Patrick's Day reception Friday.

It has been said that the president is pursuing a carrot and carrot approach by extending an increasingly warmer reception to the Sinn Fein leader. It is a risky policy, since a single bomb in Limerick or Liverpool — whether it had any connection to Mr. Adams or not — could call Mr. Clinton's approach into question. But so far it seems to be producing results. Mr. Adams has delivered on an

— THE WASHINGTON POST.

## The Glass Is Really There

Three years ago, Elizabeth Dole, then U.S. secretary of labor, initiated an investigation into the so-called glass ceiling. The glass ceiling, women and members of minority groups charged, was what they crashed their heads against on their climb up the corporate ladder. You can go this far, the men on the top rungs seemed to say, and no farther.

The bipartisan Glass Ceiling Commission has now reported that, yes indeed, there is such an invisible barrier. Despite 30 years of affirmative action, 95 percent of senior management positions are still held by white men, who constitute only 43 percent of the work force.

Affirmative action has borne more fruit at lower levels. White women hold close to 40 percent of the jobs in middle management, but black women hold only 5 percent and black men even less. Something is blocking their further advance up the ladder, and it is not just a lack of qualified candidates moving through the pipeline. Thirty years has seen a big jump in the number of women and minority members who have the education and skills to move up. But it appears not to have been long enough to erase the fears

— THE NEW YORK TIMES.

## Tired of Evolving? Relax

Scientists say that human evolution may be at an end. Natural selection is stopping, no doubt as a result of natural selection. Homo sapiens, always the fittest, appears to have concluded that it is fit enough.

Evolutionary theorists have their own explanation. There are no more isolated ecosystems where mutations can evolve, which is a nice way of saying that when people spend a lot of time by themselves they turn very weird.

But what is the ontological import? Have we stalled in a fit of complacency, so happy with the product that any further tinkering is unnecessary? Or after eons of working at it, have we decided we cannot handle one more rewrite?

Perhaps the entire species has come down with the first known case of chronic evolutionary fatigue syndrome.

While intellectuals on the left and right argue about the proper genetic explanation for America's social problems, "the human line," as the experts call it, has decided to cash in its chips. As William K. Stevens noted in The New York Times this week (IHT, March 16), lions and leopards and saber-toothed cats no longer carry off the unit. So couch potatoes are just as safe as aerobics instructors.

On the positive side, this means we can relax. We do not need to read Deborah

— THE NEW YORK TIMES.

## Other Comment

### Mideast: The Pressure to Talk

No one knows exactly what nudged Israel and Syria back to the negotiating table, but certainly a mutual perception that time is slipping away played a big part in breaking the deadlock.

Israeli voters could elect a government [next year] whose policy differs dramatically from Prime Minister Yitzhak Rabin's. Benjamin Netanyahu, the prospec-

— Los Angeles Times.

## International Herald Tribune

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## Perhaps NATO Can Grow Without Angering the Bear

By Stephen S. Rosefeld

**WASHINGTON** — Almost without anyone saying so, the way is being opened to a brightly beckoning goal of American diplomacy — to make an undivided Europe safe for democracy and to do so without leaving Russia angry and in the cold.

Not only is the United States with its allies moving deliberately to start bringing the former Soviet satellite nations into NATO, still the premier global security organization and the lead lever of American influence in Europe. Washington is, at the same time, easing Russia's real and professed fears that alliance expansion would diminish its security.

If all this works out over the next year or so, the Clinton administration can fairly claim it is getting the best of both worlds on the central global issue — and central Clinton priority — of the future of Europe. Washington would be securing the gains democracy has made in Europe since the Cold War ended and providing the security underpinning of a stable, integrated Europe — with Russia, but without an alienated and disturbing Russian sphere of influence.

For a long time this looked to be a circle

that couldn't be squared. Poles, Hungarians, Czechs and others, fearing to be squeezed by Russia, sought out the comforts of NATO membership. Moscow stiffened at what it claimed was the relentless movement of a potentially hostile alliance toward its borders. Washington seemed caught in the middle.

American and Russian diplomacy, however, are showing maturity. The United States keeps up a level of principled consistency in supporting NATO's expansion to other democratic states and in assuring Russia that expansion poses it no peril. The Yeltsin government is finding it possible to consider supports for Russian security other than by insisting that NATO take no new members aboard.

This could not have been easy for the Russian government, which faces political and nationalistic resistance in the military and in the Duma. Nonetheless, Boris Yeltsin has gone ahead to launch proposals that, he apparently believes, could allow his country to countenance the Atlantic alliance's eastward expansion.

The new proposals go beyond the idea that has been kicking around for some sort of compensatory special relationship between NATO and Russia. The Russian ambassador, Yuli Vorontsov, now speaks of a mutual nonaggression pact or pledge between the alliance and Moscow.

Moscow reportedly is also proposing restrictions on the deployment of nuclear arms and Western troops in Central Europe. Further, Moscow wants confirmation that Russia may eventually join. These matters are not universally or warmly accepted in parts of NATO and will require, but surely receive, much further diplomatic massaging.

Some in Central Europe, and some of their friends among their American kin, remain fearful that the American government will succumb to Russian wiles and accept arrangements that compromise the independence of the Central Europeans.

It is not that American diplomats can automatically be trusted to be principled, smart and tough enough not to abandon Central Europe to life in Russia's shadow. But the powerful collective recollection of Yalta and the openness of today's diplomatic dealings should build in a counter-

vailing force on the side of responsibility. The bargain now inching into view — an expanding NATO, a reassured Russia — would transform several bellicose issues. It could let the United States escape the ambiguities of NATO's Partnership for Peace — is it a step on the road to full membership or a dead-end substitute for membership? A Russia alert to the benefits of Central European stability presumably would be ready to see NATO take in just the relatively easy cases of Poland, Hungary and the Czechs but the hard cases — including Ukraine and the Baltics. Otherwise, an invidious new line, between the secured and the unsecured, might again be drawn in Europe.

Three months ago, just about everybody was down on Russia — for poor performance on Chechnya, reform etc. Now the Europe-NATO equation is becoming clearer, the International Monetary Fund finds Mr. Yeltsin's reforms worth taking a big new chance on, and Moscow has accepted human rights monitors in Chechnya. Things will go up and down in Russia for a long time. We should savor and exploit the better times.

The Washington Post

## In the Mideast, Time and Patience Are Running Short

By Gideon Samet

**T**EL AVIV — It was one of his best trips to the region, declared Secretary of State Warren Christopher, his face ashen after a second marathon session this week with President Hafez Assad of Syria. It was also a perplexing visit. In a peculiar way, characteristic of the meandering Middle East peace process, the progress achieved could feed both hope and sober disenchantment.

On the eve of the secretary's arrival, Foreign Minister Shimon Peres of Israel agreed with Yasser Arafat, the PLO chairman, on a timetable to expand Palestinian self-rule in the West Bank. Mr.

Peres called this a "breakthrough." And Mr. Christopher fell just short of such rhetoric after extracting a promise from the Syrian leader to resume ambassadorial negotiations in Washington.

Arab spokesmen, and some Israeli observers, were much more reserved. For beyond a promising facade, a deeper truth lies: Everything about the peace effort is running short — patience on both sides, strong leadership, pub-

lic support and especially time. The Peres-Arafat agreement, for instance, aims at no more than concluding a working paper by July 1. Implementation will start only then, exactly a year after the date stipulated by the Oslo-Cairo accords to have the job fully done. It involves a very tall order, including the withdrawal of Israeli forces from population centers on the West Bank, holding elections and handing most of the territory to Palestinian self-rule, against resistance by Jewish settlers.

Equally, Mr. Christopher's achievement in Damascus can only ensure more talks on a rather insignificant level, thus far futile. The crucial issue of the Golan Heights will not be on the Washington agenda at all.

Such poking at the festive balloon of Mr. Christopher's recent shuttle is necessary. The major players will not offer a realistic assessment of the status of the peace process. Each has a reason to inflate prospects. The secretary

of state could hardly fly home without some announced progress. President Bill Clinton was sufficiently embarrassed in Damascus when he visited in October. Mr. Assad, not wishing to antagonize him further, relented a bit.

In Israel, the Labor leadership needed an urgent uplift in the face of severe domestic problems hurting it in the opinion polls. Mr. Arafat, gradually weakened and constantly accused of foot-dragging, nearly had to join in.

Locating over that scene are the approaching election year in the United States and Israel. Prime Minister Yitzhak Rabin tends to move cautiously in the face of all the more so, he admits, when elections are not far behind.

As time passes, a dangerous decline threatens the historical achievement of two years ago. Diplomatic pep talks will not change this. What is lacking is not the readiness to make peace or even to pay with painful conces-

sions. The spirit is still willing; the political flesh is weak — and time is running out. There is peace fatigue.

No agreement between Israel and the Arabs has ever been fully achieved without strong, creative American involvement. Mr. Christopher's optimism notwithstanding, what is called for now is more than the sanguine diplomatic tango he's been dancing here.

A Camp David approach, such as enabled the Israeli-Egyptian peace accord to be reached under President Jimmy Carter, comes to mind. Nothing short of so urgent a formula could stop what otherwise will be a countdown to disaster.

This is no favor the Clinton administration is being asked for by a friend in need. Snatching success from the jaws of likely failure will also save America from the dire regional consequences of a failed peace process.

The writer is a member of the editorial board of the daily *Haaretz*. He contributed this comment to the International Herald Tribune.

## Castro in Paris: Kisses, Croissants, Moral Betrayal

By A. M. Rosenthal

**N**EW YORK — No question at all, it was a real fun time for the hosts and the guest at the combination house party and political fund-raiser the Mitterrands threw for Fidel Castro.

Tannen anymore because we are never going to improve communication between the sexes. We do not need to listen to Martha Stewart anymore because we are never going to cut up those doilies for cake decorations. We do not need to fret over our children's eating habits and manners; they will not be any thinner or more sensitive than we are.

But is this the right moment to freeze the frame? We might try to adapt a little beyond stuffy sinuses, the baseball strike, platform shoes and the Brady Bunch. And what if some ambitious insect race sneaks past us while we are glued to F. Lee Harvey spotting with Marcia Clark?

The scientists predict that we will eventually take our future into our own hands through genetic engineering. Given how well attempts to change society on the basis of science have gone in the past, it will not be pretty. It is bad enough when your 11-year-old comes to you and wants her navel pierced; imagine when she announces her intention to be engineered as Courtney Love.

The prospect conjures up a "Star Trek" moral fable: Captain Kirk, standing on the deck of the Enterprise, looking sadly back at Earth. "They were a fine species," he says, "until they tried to better themselves genetically."

I suppose we have to recite the truth about Mr. Castro again, because by honor-

ing and praising him the Mitterrands falsified who he is and what he does.

Since 1959, he has ruled by terror and oppression, by incarcerating or killing dissidents, by a one-party system, by suffocating intellectual and journalistic expression — in sum, by all the techniques of dictatorship he learned from his Leninist-Stalinist theology.

Fidel Castro built his regime on the defeat of the nasty Batista dictatorship. That hardly absolves him. Replacing tyranny with tyranny is the most evil of political sins.

His monumental mismanagement and the loss of the annual \$5 billion Soviet subsidy created a pressure cooker that may end his rule. He and the Mitterrands blame the U.S. embargo, which has deepened his ditch and Cuba's poverty.

He can end it himself, however, by opening his political jail and allowing the opposition press party and a fair election. But he recoils at the danger of even partial liberty.

Yes, madame, for Washington to push business with Communist Cuba is hypocrisy. But it is far more interesting. It is a fine specimen of a particular kind of Western moral betrayal: the habit of many intellectuals, politicians and diplomats who preach democracy and live within its shelter, to promote their favorite dictatorships.

In the Castro affair, François Mitterrand is no great mystery. After all, his record shows that when he had to choose, early in the war, between the Resistance and the vassal government created by Hitler in Vichy, he

picked Vichy. In Cuba he does no more.

But Madame Mitterrand is interesting. She presents herself as a fighter for human rights. She has all the reports about Castro's tyranny. The State Department, French intelligence and various human rights groups all tell the same ugly story.

So — why do so many Westerners select favorite dictatorships to honor and praise?

Among diplomats, the reason is often professional convenience: conquering democratic interests. Military dictators in Pakistan and South Korea, for instance, were admired for their ability to give swift answers, no democratic time-wasting.

And there's money, too. Iran's terrorism did not mean anything to Conoco, no more than Chinese torture cells mean to hundreds of American businesses.

But people like Danielle Mitterrand do not curst to their favorite dictators for money or professional convenience. They do so because the blood he spills means less to them than the fact that otherwise he suits their political tastes, left or right.

Western intellectuals of the left nationalized Soviet cruelties. Then their flavor of the month became the Sandinistas; now Fidel Castro, Conservative Westerners had their own darlings: Franco, Marcos, assorted ruling generals, Saudi kings.

New flavor: Soon you will hear what a good fellow President Hafez Assad of Syria is, a regular Uncle Fidel, all ready for croissants and kisses.

The New York Times

## For a Stable Gulf, Strive for a Balance-of-Weakness

By Jim Hoagland

policy against Iran and Iraq. Dual containment has been premised on a subtle difference in American treatment of Iraq and Iran. The United States specifically said it did not seek the overthrow of the Islamic Republican government in Tehran. While discouraging international loans to Iran, Washington did not push for an economic blockade like the one that is aimed at forcing Saddam from power in Baghdad.

Washington in fact looked the other way while U.S. companies bought Iranian crude oil and marketed it outside the United States and sold enough goods to Iran to be the regime's sixth-largest trading partner.

Everyone else — including the Communist dictators of North Korea, China and Vietnam — can be influenced positively by sending them U.S. goods and investment, the administration argues.

It is not surprising, then, that American companies and investors have become catalysts in defining Mr. Clinton's trade-centered worldview.

But the mullahs did not respond to Washington's quiet overtures. They ignored U.S. warnings about their nuclear energy program, seen in Washington as a prelude to developing nuclear weapons. Tehran pushed ahead with nuclear reactor contracts with Russia, stirring political problems for Mr. Clinton in a skeptical Congress.

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## Dilemma Over Commissions Auction Houses Fight for Larger Share of Market

*International Herald Tribune*  
LONDON — Things are getting tough on the art market and they can only get tougher. In a nutshell, the market is failing a victim to the overheating engendered by the auction houses in their frantic competition to get a bigger share of it.

Last week, the fight that tends to take place behind the scenes broke out into the

**SOUREN MELIKIAN**

open when Christie's announced its intention to bring down the commission charged to vendors. This will be reduced to 2 percent on works of art estimated to be worth £3 million (\$4.8 million) or more, down from 10 percent. Officially, that is.

In effect, for years, the rate to the vendor on the most desirable property has been zero. Cases have even been reported of a "negative commission." Not only was the charge to the vendor scrapped, but in addition, he got a percentage kickback on the 10 percent levied on the buyer.

Below the £3 million limit, Christie's has instituted a whole range of increasing commission rates as the estimated value decreases.

The idea is to put a stop to the endless haggling that goes on between vendors of desirable art and auctioneers. Whether it will work is another matter. Antitrust laws would have made it a crime for Christie's to approach Sotheby's on the matter. The chief executive of Christie's International PLC, Christopher Davidge, confirmed that they did not even discuss the matter with Sotheby's. Which means that Christie's terms are in great danger of being challenged. "We will stick to them," Davidge assures with dignity.

Really? Imagine the following dialogue. Christie's agent to owner of fabulous little van Gogh in storage on the West Coast for the last three decades: "Sir we shall be pleased to charge you our 2 percent rate." Owner to the Christie's guy: "Sotheby's charge to me personally is zilch. Sorry pal." If Davidge is as determined as he sounds, the only possible scenario is this: The van Gogh sells at Sotheby's, is paraded on TV, makes headlines — and, worse, is used as a selling point in the little color folder submitted to the next owner of a fabulous little van Gogh, or Renoir, or whatever.

Do you believe in this scenario? I don't. But let us assume that it takes place. Guess

what happens next time around when Christie's is approached by the owner of a splendid van Gogh.

In short, the 2 percent rate system will work only if Sotheby's takes the same line. Given the past tendency of the two houses to kick each other under the table, this seems remote.

Then why bother to make the attempt at all? The reason is simple. The auction houses are desperate for more revenue and in a market where art supplies are inexorably shrinking year in year out, one of the weapons they have been using to attract desirable property is lower terms to the vendor. But lower terms to the vendor mean less revenue. This is a vicious circle.

A revealing admission is found in Christie's announcement of preliminary results for the year ended Dec. 31. "The growth in operating profits from the auction business was limited to 3 percent." While sales grew by 13 percent "revenues and costs were affected by strong competitive pressure and our investment in the long-term expansion of the business."

Elsewhere, they spell it out: "In an ever more competitive market we have significantly increased our expenditure on marketing activities, both in promoting our services to prospective clients and in marketing our clients property." In plain English, a lot more had to be spent on glamourizing.

**T**o quote Davidge again, "We spent more than we anticipated on the Houghton sale and on the Leonardo Codex," sold in New York last fall for \$30.8 million. New offices were opened in five cities: Shanghai, Vancouver, Bombay, Buenos Aires and Santiago. Opening an office means hiring an average staff of three. Davidge says this pays off. Southeast Asia, where Christie's has been expanding rapidly and is planning to expand further — an office is due to open in Jakarta this year and another will open in Singapore by 1996 at the latest — now accounts for 8 percent of the turnover.

Further investment is constantly made to raise this turnover in the form of ever more attractive catalogues, more viewings of the world over for the more ambitious items, more special events to make big sales even glitzier. Davidge congratulates himself on having attracted new buyers who help raise the general price level. He believes in ever-rising prices solving his problems. He cites Bill Gates, without whom the Hammer coder would not have made that price. He

It happened in 1990. Remember the Japanese who bought very splendid Old Masters including "A Blind Hurdy-Gurdy Player," the Georges de la Tour painting now in the Prado? Or the Scandinavian who bought Dubuffet, Fontana and others? The buyers of the late 1980s often resold at one third of the price in the early 1990s, and sometimes less.

The current system cannot last. By staking their all on an indefinitely rising turnover solely dependent on ever soaring prices (the sum total of the art of the past is finite, and contemporary art accounts for very little), the auction houses have devised the perfect self-destruct mechanism.

could just as well have added the Houghton sale, when new buyers helped send some items of little merit and no age to phenomenal heights on the strength of provenance. A couple of decades ago, these would have been ignored, and the Houghton sale which was on the whole not particularly distinguished, would not have been the sensation it turned into.

**N**OTHING satisfies the managers more than what they see as the triumph of marketing. Unfortunately, in achieving their temporary triumph, they are manufacturing a time bomb for the market as a whole. Raising the price level to ever more dizzying heights is doubly dangerous.

Firstly, the auction houses lose much of most of their old clientele who bought art, driven by a passion that stems from knowledge refined over years of collecting. They cannot or will not go along with the new prices. The new buyers who step in, promptly seduced by the glamour and the publicity (call it marketing if you like) are just as easily turned off. The market is thus transferred from safe into fickle hands. It loses its traditional safety nets, the passionate collector, and also the connoisseur dealers. In the past, these would not allow a fine work to go for nothing. Now, even if prices drop abruptly, they still cannot buy for stock — the risk is too high, because the price, in absolute terms, remains enormous.

The second danger, fickleness aside, is that the ever-rising price level makes art buying a very chancy gamble. A \$6 million Renoir, O.K. A \$12 million Renoir, perhaps. But \$60 million? \$90 million? \$120 million? Somewhere down the line, the buck stops. The moment it does, those who thought they were making an investment may lose their pants.

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Georges de la Tour's "Blind Hurdy-Gurdy Player," now in the Prado, was sold for £1.87 million in 1990.

## Maastricht Fair: Is Bigger Better?

*International Herald Tribune*

**T**HE European Fine Art Fair in Maastricht, which closes its doors Sunday night, is proving a bigger attraction than ever. Too big, perhaps. Like Europe, the fair is threatened by its growth. By all accounts, it suffers from overload.

Last year, it reached the point where art dealers renowned for their keenness on the traditional way of doing business quietly in the privacy of their gallery made an appearance. The Galerie Bers of Paris, which does not seek a mammoth turnover but stands for the ultimate in sophisticated paintings, drawings and sculpture from pre-impressionist days to the early part of this century, took part. This year, the Galerie Bers deemed Maastricht important enough to rent a stand twice the size.

With everyone banging on the doors to get in, the fair is swelling and changing. It is gaining newcomers in the most serious fields. Dealers in antiquities, probably attracted by the presence of Herbert Kahn of Basel, a scholar-dealer in Greek pottery and bronzes, came in from Switzerland — the Neff gallery in Zurich led by Frieder Nussberger — and Germany — Axel G. Weber of Cologne.

There were more surprising arrivals. One of the leading Paris dealers in 18th- and 19th-century France, Michel Meyer, is there. So is

Patrick Perrin, the son of his colleague Jacques Perrin. Modern art, which seems totally at odds with the tone of the fair, is gaining in strength. Barbara Matson of New York took a stand for the first time and Hans Neuenfels of Cologne brought over for his inaugural appearance of Francis Picabia's work.

One year in 1993 and I regretted it. When I came as a visitor, I stayed a whole week. Fairs are part of our market, now."

**H**ikes Maastricht best of all, because it is "a fair organized by dealers for dealers." They have set up a foundation that runs it with all gains being reinvested in making it better. As quality fairs go, stands are among the cheapest.

Leslie Waddington, the contemporary art dealer who chirpily mentions that he sold a Calder mobile of 1951 "priced around \$250,000," admits that business in general is difficult this year, which is one more reason for going to Maastricht. "Now I am out of London 60 percent of the time," he said. His participation in Maastricht led to a \$600,000 deal on a Dubuffet that he had in his London gallery in a roundabout way. Waddington, while in London, was being asked about

Souren Melikian

the price for the Dubuffet in Maastricht and reminded the inquirer that he had previously displayed interest in another Dubuffet in London. That must have triggered some buried but intense yearning in the inquirer's mind. His response was to buy the London picture.

The one area where business appears to be booming is Chinese antiquities. Gisèle Croës of Brussels is the only dealer who cited big numbers. "The Germans are back in strength," she said. A Frankfurt collector bought from her a bronze *hu*-type vessel of the fourth or fifth century B.C. that carried a \$650,000 label, and a Cologne connoisseur acquired a \$30,000 Tang lady of the court, with traces of polychromy. Yet, the start was slow. All say that buyers take their time. Some add: "And haggle to death." Tough times, indeed. But next year they will all be back.

Souren Melikian

## auction sales IN FRANCE

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Tuesday, March 28, 1995

Wednesday, March 29, 1995

Rooms 5 & 6 at 2:15 p.m. — 17th, 18th, 19th cent. FURNITURE AND OBJETS D'ART. Expert: M. J. Saint-Bris. On view: Tuesday, March 28, from 11 a.m. to 6 p.m. — Wednesday, March 29, from 11 a.m. to 6 p.m. — Thursday, March 30, from 11 a.m. to 6 p.m. **ETUDE TAJAN**, 37, rue des Mathurins, 75008 PARIS. Tel: (1) 53 30 30 30 - Fax: (1) 53 30 30 31. In NEW YORK please contact Kety Maisonneuve & Co. Inc. 16 East 65th Street, fifth floor, N.Y. 10021. Phone: (212) 737 3597 / 737 3813 - Fax: (212) 661 1434.

Friday, March 31, 1995

Room 4 at 3 p.m. — OLD MASTER PAINTINGS. Expert: M. E. Turquin. On view: Thursday, March 30, from 11 a.m. to 6 p.m. — Friday, March 31, from 11 a.m. to 1 p.m. **ETUDE TAJAN**, 37, rue des Mathurins, 75008 PARIS. Tel: (1) 53 30 30 30 - Fax: (1) 53 30 30 31. In NEW YORK please contact Kety Maisonneuve & Co. Inc. 16 East 65th Street, fifth floor, N.Y. 10021. Phone: (212) 737 3597 / 737 3813 - Fax: (212) 661 1434.

Souren Melikian

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**Friday's 4 p.m.**  
This list compiled by the AP, consists of the 1,000 most traded National Market securities in terms of dollar value. It is updated twice a year.

12 Month High Low Stock	Div	Yld	PE	Ss		High Low Lates	Chg/
				100s	100s		
<b>A</b>							
16 1/2 9 1/2 AAON	1.231		14	181	123%	112%	-1
23 1/2 11 1/2 ABT Bld	.22		22	227	20%	234%	-14
26 1/2 12 1/2 ACC Co	.12		—	1787	18%	17%	-7%
21 1/2 5 1/2 ACC Ent			—	256	15%	14%	-1%
31 1/2 31 1/2 ACV TC			26	1719	29%	39%	-37%
31 1/2 16 1/2 ACV Tots			41	2107	31%	30%	-1%
16 1/2 14 1/2 ACPlex			17	1014	22%	20%	-2%
25 1/2 14 1/2 ACPlex			26	244	8%	8%	-1%
16 1/2 14 1/2 ACPlex			26	244	8%	8%	-1%
25 1/2 14 1/2 ACPlex			26	244	8%	8%	-1%
19 1/2 14 1/2 AK Steel			12	1251	24%	20%	-14%
31 1/2 17 1/2 APS Hld			10	718	24%	26	-14%
24 1/2 10 1/2 AST			4065	15%	15%	15%	-1%
17 1/2 14 1/2 AbbottH			34	1205	34%	33%	-3%
16 1/2 4 1/2 AbbottTel			16	2266	7	6%	-2%
22 1/2 7 1/2 ACC-HII			—	727	17%	16%	-1%
27 1/2 12 1/2 AcciDom			13	4120	16%	15%	-1%
26 1/2 14 1/2 AcciMet			13	2922	16%	15%	-1%
14 1/2 7 1/2 Actel			29	2512	13	12%	-1%
28 1/2 15 1/2 ActiVoc			27	2050	26%	27%	-2%
18 9 1/2 Adams L			22	10567	35%	33%	-3%
36 1/2 14 Adams			25	266	11%	10%	-1%
17 1/2 8 1/2 Adams H			26	131	22%	22%	-1%
36 1/2 21 1/2 Adams H			26	420	28%	28%	-1%
26 1/2 21 1/2 Adams H			26	420	28%	28%	-1%
15 1/2 16 1/2 AdvoHd			59	59	15%	14%	-1%
19 1/2 12 1/2 AdvtLb			18	423	18%	18%	-1%
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9 1/2 7 1/2 Aikemec			—	80	53	50%	-3%
28 1/2 19 1/2 Albank	.48		19	12	433	25%	-2%
19 1/2 4 1/2 Alfa			—	68531	6%	25%	-2%
27 1/2 20 1/2 AlfaBld	.88		17	15	437	23%	-2%
30 1/2 20 1/2 AlfaBld			17	15	437	23%	-2%
43 6 1/2 AlfaSpm			—	31	1783	10%	-1%
31 22 1/2 AlfaSpm			6	31	1783	10%	-1%
27 1/2 7 Alphabota	.48		26	6	59	22%	-2%
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18 1/2 8 AltnResc			—	85	61	56%	-1%
20 1/2 10 1/2 AltnResc			—	85	61	56%	-1%
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**AMEX**

**Friday's 4 p.m. Close**  
Tables include the nationwide prices up to  
the closing on Wall Street and do not reflect  
trades elsewhere. Via The Associated Press

40% 15% BMS MRK	2.01	50	-	28.40-40.5	40	40%	+ 14
2% 1% Balmor	-	19	-	148	46	4%	-
28% 22% BANCHE	-	19	-	16	26%	26	-16%
92% 60% Berco	4.00 e	44	-	9	91%	91%	-
5% 1% BES	-	19	-	10	24%	24%	-10%
11% 12% BESCOR A	-	13	-	15	25%	25%	-
11% 6% Besspm	-	13	-	15	25%	25%	-
15% 4% Bevroln	-	13	-	8	14%	14%	-13%
11% 1% BicApp	-	13	-	75	2%	2%	-11%
11% 2% BilkB109	97	22	-	92	10%	10%	-11%
13% 2% BILQ	79	8	-	30	11%	11%	-13%
11% 2% BILYQ	79	67	-	13	11%	11%	-11%
4% 27% Bincar A	2.30 e	68	-	34	33%	33%	-4%
17% 11% Blessing S	35	27	11	16	13%	13%	-17%
5% 2% Blouard A	57	13	17	15	45%	45%	-5%
14% 12% Blouard B	1.24	93	17	22	13%	13%	-14%
6% 7% Bowla S	36	46	13	5	75%	75%	-6%
4% 2% Bowmrr	-	10	83	2%	2%	2%	-4%
50% 37% Bowmrr pl	2.00	75	-	4	40	40	-50%
28% 15% Bowmrr	36	23	10	358	16%	15%	-28%
21% 11% Bronch	28	13	18	18	21%	21%	-21%
4% 2% Brondwy	1.57 e	35.9	1	53	4%	4%	-4%
15% 11% Brsch G	1.04	8.2	-	1	12%	12%	-15%
4% 2% Broch Cp	-	97	-	6	4	3%	-4%
3% 1% Buttmon	-	3	59	17%	17%	17%	-3%
C							
19% 15% CFX Cp	.92 b	50	14	+23	18%	18%	-19%
6% 4% CII Fin	-	4	46	6%	6%	6%	-

Blk	6% <sup>14</sup> CIM	Blk 10% <sup>14</sup> CIM	4% <sup>14</sup> CIM Co	2% <sup>14</sup> CSTEM
9.7%	—	45	71%	75%
9.7%	—	6	124	62%
2	—	192	14%	14%
2	—	—	—	—

INTERNATIONAL HERALD TRIBUNE SATURDAY-SUNDAY, MARCH 18-19, 1995

ates figures are unofficial. Yearly highs and lows reflect previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25% or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on latest dividend.

**Dividends**  
- called.  
- new yearly low.  
- dividend declared or paid in preceding 12 months.  
- dividend in Canadian funds, subject to 15% non-residence  
- dividends declared after 1992 will be subject to 25% non-residence

- dividend declared after split-up or stock dividend.
- dividend paid this year, omitted, deferred, or so action taken at latest dividend meeting.
- dividend declared or paid this year, or any other

- dividend declared or paid this year, on accumulative basis with dividends in arrears.
- new issue in the past 52 weeks. The high-low range begins with the start of trading.

— the start of trading.  
— next day delivery.  
E — price-earnings ratio.  
— dividend declared or paid in parentheses. If no figure, then

- dividend declared or paid in preceding 12 months, plus stock dividend.
- stock split. Dividend begins with date of split.

-dividend paid in stock in preceding 12 months, estimated  
value on ex-dividend or ex-distribution date.  
-new security blank

- new yearly high.
- trailing twelve.
- In bankruptcy or receivership or being reorganized or the Administrator has taken over.

—when distributed.  
—when issued.

- when issued.
- with warrants.
- ex-dividend or ex-rights.

- ex-distribution
- without warrants
- ex-dividend and splits in full



# Fashion

## Fashion's Family Tree: How Future Stars Learn Their Craft

By Suzy Menkes

**P**ARIS — They're off — a new generation jockeying for position as fashion races toward the new millennium. Who, in this bewil- dering list of runners, is a hot tip? A safe bet? Who has the staying power to make it in the 21st century?

As with horse racing, so with fashion. The answer lies not just in the genes, but also in the training.

Fashion's family tree, the genealogy of designers and their origins, is crucial at this moment. Unbridled creativity needs to be tempered with technique, now that fashion has come back to fit and structure.

In the past, the bloodlines were easy to follow: five or 10 anonymous years in the backrooms of haute couture and out sprang Emanuel Ungaro and André Courrèges from the house of Balenciaga. Yves Saint Laurent emerged, famously, from Dior. Karl Lagerfeld appeared from Balmain and Jean Patou — a house that also launched Jean Paul Gaultier and Christian Lacroix.

Now in the 1990s, the baby boom generation is creating its own fashion families.

The most prolific is Gaultier. The fully fledged designers who have emerged from his studio are led by Martin Margiela from Belgium, who spent three years with Gaultier and who demonstrated Wednesday in his circus-tent show that he is a very fine tailor.

**T**HEN there are Doby Broda; June Inoué of the now defunct June, July, August; Myriant Schaefer, ready-to-wear designer at Nina Ricci; and Gilles Rosier, who with his partner Claude Sabbah created the GR 816 label. Their show Sunday is one of the red-hot Paris tickets.

"It's good — it means that I've got children or at least little brothers and sisters — but I have no notion of being a teacher," says Gaultier.

Gaultier worked at Patou, but says that he owes everything to Pierre Cardin, who first took him into the couture house as a 15-year-old schoolboy.

"He taught me everything — it was extraordinary in the studio because Cardin cut all the garments himself," says Gaultier, who beneath the brouhaha of his shows has a rigorous and disciplined cut.

Margiela, whom Gaultier praises as an incisive cutter and creative free spirit, says that his own fashion education came from

watching Gaultier taking pins and scissors, fitting the *toile* and teaching him that "the most important thing is the eye."

"Gaultier is different from how I am. Nobody copies him out of respect, and when you see all the different people coming out of the same house, it shows that it does not affect your personality," Margiela says. "Inside, that house is very, very professional. Gaultier is such a big worker. He taught me to work very hard."

Rosier — who took the name of his line, GR 816, from his registration in a Jesuit school — also talks about Gaultier's energy and the need an assistant feels "to surpass oneself." Fitting cropped pants or a back-drapped pants in the mosaic-floor new boutique in the Rue Bleue. Rosier reveals his couture background. He worked for two-and-a-half years at Balmain and with Marc Bohan, designer at Dior.

**M**ICHELE Meunier and Olivier Chatenet of Mariot Chanet have the most discreet boutique in Paris, an airy salon on the fourth floor at 7, rue de Sèvres, around the corner from Hermès, where the husband-and-wife team are consultants. Between them, they have worked for four powerful, internationally renowned designers: Azzedine Alaïa, Comme des Garçons, Karl Lagerfeld and Thierry Mugler.

Chatenet says that a jacket with star-seamining is born of his training with Alaïa, described as a rigorous, demanding and intransigent task master.

"He worked at night and I never saw him creating, but there was a technical understanding," says Meunier, who later worked with Mugler, before Mariot Chanet was established in 1987.

Meunier cut her fashion teeth and learned "how to build a jacket" in the Chanel couture studio with Lagerfeld. She then worked at Comme des Garçons. From this mix comes Mariot Chanet's fusion of fluid drapes and modern tailoring that was evident in the sharp jackets and the bias-cut soft dresses in their show Thursday.

Lagerfeld's "family" also includes Hervé Léger, who worked at Fendi and at Chanel before establishing his own line. Léger's former assistant, Osmar Versolato, presents his evening wear line Sunday.



The current succession drama at Gi-  
venchy, still unresolved, poses a question:  
Why have the great couture houses, in-  
cluding Saint Laurent, produced no heirs?

The answer is that most couturiers work in  
seclusion, and few assistants today stick  
around.

"I went to sew linings at Balenciaga, but  
at 22, kids don't want to do that any-  
more," says Ungaro. "I am proud to be an

artisan, but they want to be rich and  
famous."

But Ungaro has, perhaps unknown even  
to himself, one famous disciple: Giorgio Armani.

Before launching his label in 1975, Ar-  
mani worked with Cerruti. "But I learned  
the most from Ungaro," he says. "I  
worked for just two seasons on his men's  
collection, but I watched the way he

pinned, very precisely. I don't cut my own  
jackets, but I pin them into shape. What I  
learned from Cerruti was the industrial  
dimension, how to make it work in a  
factory."

You can trace the fashion roots of al-  
most any upwardly mobile designer. At  
Balmain; Christophe Lemaire, with Lacroix;  
Véronique Leroy, with Alaïa. The Japa-

nese "school" includes Costume National's designer, Ennio Capasa, who was trained by Yohji Yamamoto, and Junya Watanabe, a disciple of Comme des Garçons.

In England, Bella Freud worked with  
Vivienne Westwood; Alexander  
McQueen's violent, on-the-edge show  
Monday had the backbone of an appren-  
ticeship with tailors Anderson and Shep-  
pard of Savile Row.

Only John Galliano, graduate of St.  
Martin's fashion school, is self-taught.

"The old trial and error — and with  
this it teaches you — you are forever  
learning," said Galliano while working in  
his Bastille studio on the show he presented  
Friday.

"In retrospect, I would like to have  
done a student placement with a tailor,"  
he says. "It is important to hang out in an  
atelier, even just to see how the presser  
does it."

**T**HE technique of fashion is, of  
course, an ongoing process. Saint  
Laurent said that he worked for  
weeks on the upside-down tuxedo  
dresses he showed in January's couture.  
Galliano learned from the past by poring  
over couturier Charles James's figure  
of eight patterns in the archives of the  
Victoria and Albert Museum in London.  
Margiela studied cutting from the 1930s,  
1940s and 1950s while recycling flea market  
finds. Vivienne Westwood studied his-  
torical costumes and recreated the old  
techniques.

Sewing skills have traditionally been  
handed on from one generation to the  
next. And well-known designers are proud  
to work their alchemy on their appren-  
tices.

Issey Miyake is fashion "father" to Ko-  
suke Tsumura, who showed this week in  
Paris. Miyake, himself trained in Paris  
couture by Givenchy in the 1960s, issued  
this statement:

"Among the many works that I have  
had endeavored to bring you over the  
past 25 years, there are none which make  
me prouder than the young talents who  
have risen to independence from within  
my studio."

**SUZY MENKES** is fashion editor of the  
International Herald Tribune.

## Glitz at Mugler, Blitz at Lacroix

**P**ARIS — Under a bliz-  
ard of rose petals, in  
the arms of a golden  
robot-woman, sur-  
rounded by celebrities poured  
into hourglass dresses, Cecil B.  
DeMille took his bow.

The 20th anniversary spec-  
tacular produced by Thierry  
Mugler was such high camp, it  
was flying — right up to the  
rafters of the Cirque d'Hiver,  
where Mugler's signature star  
was sculpted above a stairway  
for the star models.

They included Patty Hearst  
doing a spangled striptease;  
Hitchcock star Tippi Hedren  
teetering in a skin-tight skirt;  
models from Dior's glory days  
doing the couture glide in  
opera cloaks and feathers; and  
Jerry Hall, all pouting scarlet  
lips in flesh-colored chiffon  
dress rattling with crystal.

"Six fittings and they got the  
dress perfect," she drawled  
backstage, as designers Paco  
Rabanne and Azzedine Alaïa,  
Monique and Jack Lang and  
Danielle Mitterrand all con-  
gratulated Mugler on his hour-  
long extravaganza.

"How does it feel to be 20  
years old? Life's a bed of  
roses," said Mugler, referring  
to blooms tucked saucily into  
a drape on the derrière, or  
trimming the skirt hem at the  
back.

The clothes were quintes-  
sentially Mugler: a cartoon  
caricature of woman as Jessica  
Rabbit and as hard as the  
gilded carapace molded to the  
body.

It should be the fashion mom-  
ment for Mugler's curvaceous  
tailoring. But, in fact, the time  
for such an over-the-top spec-  
tacular is over.

**C**HRISTIAN Lacroix on Friday served up  
two fashion shows in one. The first half,  
with its burgundy trench coats,  
cognac-colored velvet pants  
and whisky-brown long skirts,  
was full-bodied, rich but very  
palatable.

At the cocktail hour, the mix  
was head-spinning, mostly  
because the concept of switching  
from day to evening clothes is  
in question in the modern  
world. And Lacroix himself  
had already sent out well-han-  
dled, day-for-night looks, from  
the midnight blue pants suit  
figured with flowers to a shrug  
on kimono coat.

The sky-at-dusk decor of  
moons piercing through clouds  
sent a message: Lacroix had  
dimmed the decoration, to  
just a twinkle of embroidery  
on a jacket cuff. Colors were  
quiet and countryfied, with vi-  
sual harmony even when tex-



Thierry Mugler's hourglass-shaped metallic corset.

tures were mixed. And when  
color came hot and strong —  
pink and orange tailoring or  
rainbows of hand-crafted  
tweed — those outfits were  
followed immediately by black.

The balance between luxe  
and rustic was subtly held as  
models in paisley-patterned  
lace were silhouetted against  
the sisal carpet on the runway.

Or a long peasant skirt — an  
alternative to the short and  
straight — came in luxurious  
fabrics.

Lacroix's impressive feat is  
to make each outfit (and there  
were 103) a creative statement,  
from the way beaded epau-

lletes dangle from a black suit  
to the specially-printed fabrics,  
some on a Japanese theme.

Add to that each accessory —  
a blanket-weave scarf, a  
jaunty hat, a pair of heart-pat-  
terned lace gloves — and La-  
croix's fashion fecundity is  
overwhelming.

As Joan Kaner of Neiman  
Marcus put it: "So much is  
here, so much for us to  
choose."

Too much. Or rather, a col-  
lection poised between La-  
croix's modern attitude and  
his insistence on turning couture  
evening gowns into to  
ready-to-wear — to service  
the new Lacroix boutiques.

Skirts are generally longer,  
but it must be a record of sorts  
that halfway through the Paris  
marathon, no designer has  
stirred up the hemline debate.

As for their fall shows through  
the weekend, opinions are divided  
as to whether the big boffo  
show is still the thing.

For a good blend of style  
and substance, Sonia Rykiel  
got the mix right (although the  
show was too long). Trompe  
l'oeil effects of jacket front or  
even flowered pasties on the  
bosom enlivened sweaters.  
Fake fur cuffied wide pants or  
the mid-calf skirts that came with  
long-line cardigans or  
jackets.

Slim pants suits formed her  
basic long-line silhouette, and  
though the show started with  
short leather outfit, Demeule-  
meester seems to be moving  
forward to commercial clothes.  
But she kept an edge of rebelli-  
on with strands of wet hair  
and stocky ankle boots.

As the big designers offer  
their fall shows through the  
weekend, opinions are divided  
as to whether the big boffo  
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Suzy Menkes

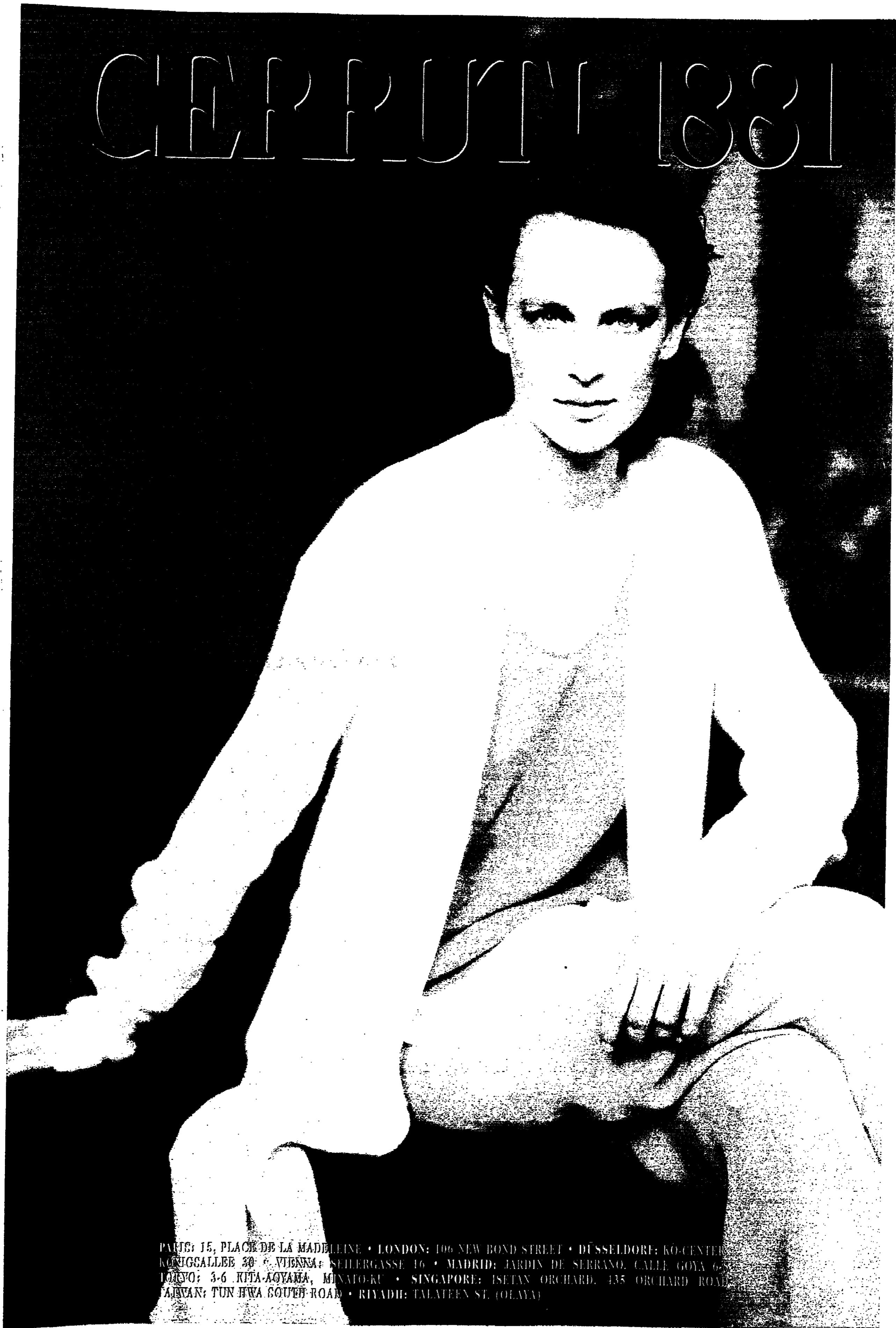
GENNY BOUTIQUE 51, AVENUE MONTAIGNE PARIS

Craft

T

acroix

B



PARIS: 15, PLACE DE LA MADELEINE • LONDON: 106 NEW BOND STREET • DÜSSELDORF: KÖ-CENTER  
KÖNIGSALLEE 30 • VIENNA: SEILERGASSE 16 • MADRID: JARDÍN DE SERRANO, CALLE GOYA 6  
OSAKA: 3-6, KITA-AOYAMA, MINATO-KU • SINGAPORE: ISETAN ORCHARD, 435 ORCHARD ROAD  
TEHRAN: TUN HWA SOUTH ROAD • RIYADH: TALATEEN ST. (OLAYA)

## FASHION / A SPECIAL REPORT

## As Global Fashion Capital, Paris Succeeds—Too Well

By Nadine Frey

PARIS — Three days before the designer showings opened in Paris this week, a buyer for a fashionable New York store opened the chocolate and white velvet calendar compiled by the French Fashion Federation and weary scanned the 10-day list of shows.

"I ask you," she said, "who is Marc Lanno?"

Lanno may have great things in store, but at the moment he is but one of the many new and often non-French names cropping up each season on the Paris fashion calendar. This year, the calendar lists 87 shows, with another 32 designers showing by appointment.

In addition to new French designers, an even more rapidly rising percentage of international designers now present their lines in Paris. The 119 designers included in the official calendar are only a fraction of the hundreds of designers showing in hotels and group shows all over the city.

"Paris is getting full," admits Jacques Mouclier, president of the French Fashion Federation. "It may be full already."

Paris is the world capital of fashion shows. The Broadway that each year attracts successful and aspiring designers from around the globe to audition their collections for an audience of 2,000 journalists and 750 retailers.

"It would be difficult to get an international career going without showing in Paris," says the Belgian designer Dries Van Noten.

"Paris is the World Series of fashion, it's the World Cup," says Geoffrey B. Small, a 35-year-old Boston designer listed on the official Paris calendar for the third time. "If you are really serious about what you do, you have to show in Paris. We've been tripling our business in the past few years, selling to 10 foreign markets, and the reason we are selling those is Paris."

Twenty years after initiating a policy of attracting foreign designers — Japanese, Italian, Belgian, English, Swedish and others — to show their collections here, the organizers of the French fashion showings have succeeded beyond their wildest dreams.

"The mission of the French couturiers in 1972 was to make Paris the world capital of fashion," explains Mouclier. "By then Paris was already established as the capital of couture, which gave us a certain force. We decided to open the ready-to-wear collections to others. And now we have 100 presentations in 10 days. It's the price of success."

As Mouclier points out, French fashion has always been an international hybrid: Karl Lagerfeld is German, Nino Cerruti is Italian. But the real "infiltration" of Paris began 14 years ago with the arrival of Japanese designers such as Yohji Yamamoto and Comme des Garçons and later the Italians.

French designers haven't always been ec-

static at the prospect of an invasion of foreign designers in their city. "They feared for their markets. But I pointed out that 80 percent of their product is exported," says Mouclier. "It's not by preventing someone from showing in Paris that anyone is going to protect a market two continents away."

At the moment, Paris is attracting 10 percent more foreign designers each season, or 20 percent each year. It's a staggering figure for buyers, who are already running the soles off their Prada loafers in an endurance course between shows, booking appointments, new store scouting expeditions, and simply wandering around looking at street fashion.

In addition to which, the hotels are full. The fashionable restaurants — L'Ami Louis, Voltaire — were full up a month ago, so don't even call. If it rains when you leave your eighth show of the day at 11:30 at night, have a subway map handy because you won't find a cab. (In fact, better book a car service for the whole week.)

Real Parisians know enough to hunker down and sit out the week at home. "This place is booked to the rafters," says one buyer. "It's a pain in the neck."

Designers — who, besides making sales, benefit from the 2,000 pages of free editorial and 120 radio and television shows the collections generate each season — bemoan logistical hurdles.

"Get over it," says Rifat Ozek, a British designer of Turkish origin who has shown successively in London, Milan and Paris and who says his sales increased sizably when he began showing here three seasons ago. "It's five days of your life. You have what, 355 other days to recover."

However big the fish on the line, the cost of showing in Paris for a foreign designer is nearly prohibitive. A temporary showroom can cost \$7,000 to \$10,000 for the week. An item as basic but indispensable as a rolling rack rents for \$100 a day.

Then there's the cost of the presentations themselves. At the pinnacle, the four rooms in the Carrousel du Louvre, where 41 top designers get to strut their wares, run from \$20,000 to \$50,000. That doesn't include the cost of models, flowers, invitations and the fabrication of the collection itself. Top designers can spend up to \$500,000 putting on a runway show.

New and foreign designers not only face high costs but also an uphill struggle for the attention of deluged buyers and press.

"Xuly Bet is having an opening for his new loft in Pantin," says Josiane Cristofoli, one of the city's veteran fashion public relations agents. "I'll send out 1,200 invitations to get 400 people. For newer designers, I'll make phone calls, and hope to get 40. But talent will out. You only need two journalists at a good show and the next season you'll have 50."

"I don't recommend anyone showing in Paris unless they're really ready," says Small. Not according to one designer. "The one



A mix of textures by Japan's Koji Tatsuno, who showed his fall line Tuesday.

## Established Names Benefit Most From New Luxury Boom

By Laura Colby

PARIS — Most of the attention at the Paris fashion shows this month will be on the hot new designers and the latest fashion trends. But most of the real business will be transacted not by the latest rising star, but by the group of big luxury groups who have already established themselves in the fashion firmament.

As Western economies emerge from recession, and as Asian nations continue to create a rapidly expanding middle class, it is the big-name companies who are benefiting most from a new demand for luxury.

A look at recent earnings results tells the story.

At LVMH Moët Hennessy Louis Vuitton SA, the French luxury goods company selling everything from champagne to luggage, sales rose 17 percent last year to 28 billion francs (\$5.6 billion), and net profit increased by more than 20 percent.

Herme's, the purveyor of power ties and upmarket leather goods, reported a 56 percent increase in net profit for the first half of its financial year, to 85 million francs, while sales surged ahead 24 percent to more than 1.5 billion francs.

In Britain, the Vendôme Luxury Group PLC, makers of Dunhill clothing and Cartier watches, reported a 21 percent rise in first-half pretax profit, to £105.7 million (\$169 million), from £87.1 million in the year-earlier period.

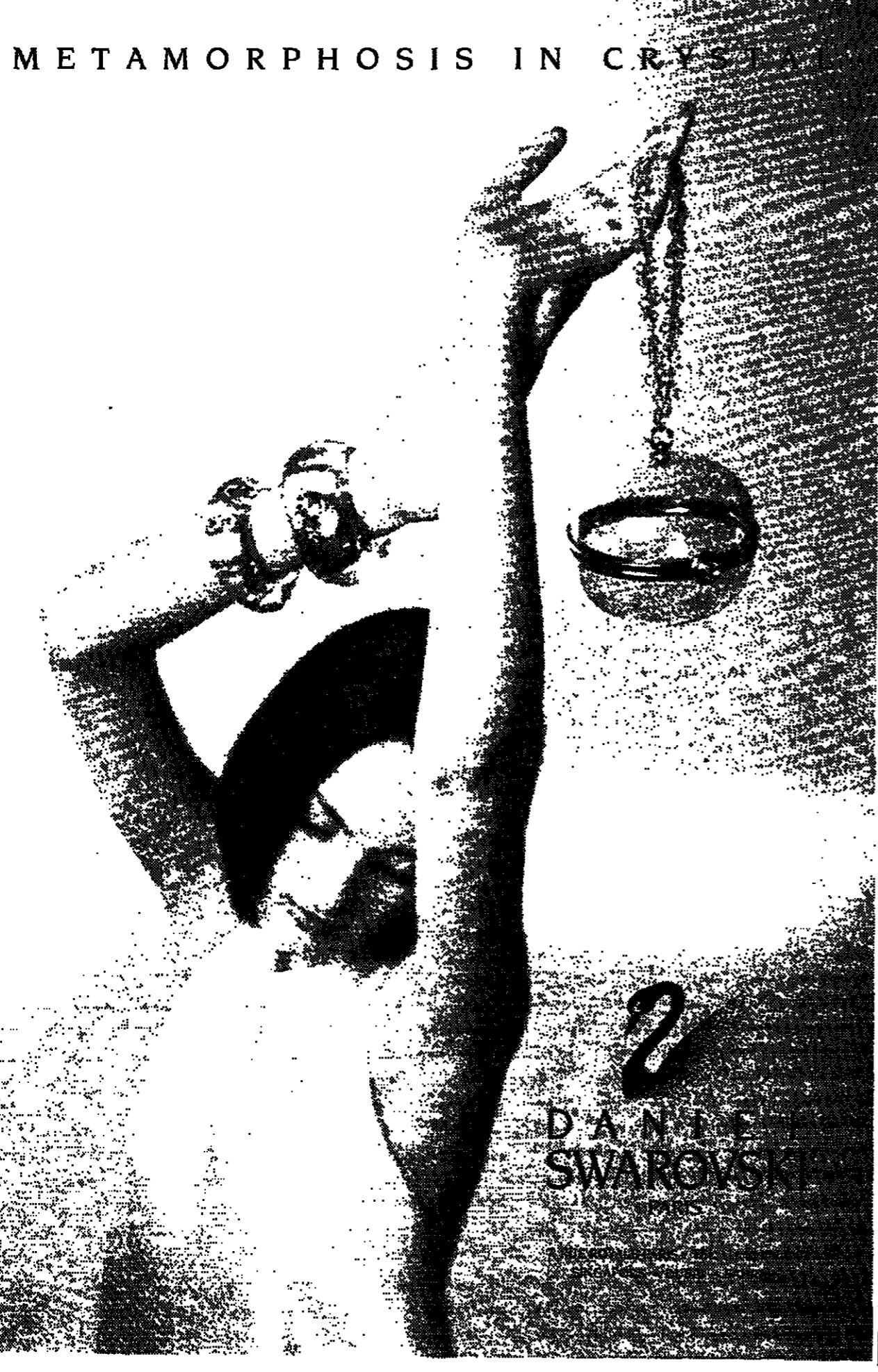
The wild card for the luxury companies is the fickle nature of currency markets. The dollar's recent plunge is "worrying" and could hurt earnings in French franc terms, according to Christian Blanckaert, president of Comité Colbert.

The 75 companies that make up the group get around 13 percent of their 32 billion francs in annual sales from the United States, and many other important markets, such as Hong Kong and Taiwan, have their currencies linked to the dollar.

Some of this downside will be mitigated by the strong yen, of course. Japan, which is showing signs of emerging from recession, is the most important Asian market for luxury goods, accounting for about 49 percent of the total.

LAURA COLBY is on the staff of the International Herald Tribune.

## METAMORPHOSIS IN CRYSTAL



## Clothes and Caviar: Treats for Shoppers

By Pat McColl

PARIS — Some familiar names in familiar places, some brand-new names in unexpected places, a dash of sophistication and — at last — some new lunch spots on the avenue Montaigne are among the highlights of shopping in Paris this spring.

On the boutique scene, Emmanuel Ungaro has opened a second Right Bank shop, this one at 49, rue du Faubourg Saint-Honoré, while Hubert de Givenchy and Christian Lacroix crossed the Seine to open their first Left Bank boutiques, Givenchy's at 5, rue du Chêne-Midi.

The new Lacroix boutique, which opened March 15 on the Place Saint-Sulpice, showcases his highly successful lower-priced line, Bazaar.

Another familiar name, Jean Paul Gaultier, picked a less familiar location, just around the corner from the Opéra Bastille, at 30, rue du Faubourg Saint-Antoine, to house his new JPG line in a décor mixing random patches of broken mosaic tiles with surreal and high-tech touches.

Elsewhere in Paris, less familiar names turn up in other less familiar locations, such as Tim Bargeot at 73/75, rue Quincampoix, behind the Centre Pompidou, or Bonnie Cox at 160s, rue des Abbesses in Montmartre.

Although he spent two years at the fashion school Esmod and worked as a theatrical costumer, Bargeot claims he started his fashion career selling 95-franc T-shirts at the Clignancourt flea market in 1990. Gradually he added other items, then bought his boutique and began giving "wildcat" fashion shows in nightclubs and discos.

In 1993 I realized I had to get serious," says the 30-year-old Bargeot, who always wears a pillbox hat cut in the same

fabric as whatever trousers he is featuring that day.

He describes his fashion as "a panache of virtual images, technology, the 60s, Barbie and the current street and club scene."

The décor of his tiny boutique looks like it came out of a 1960s time capsule, with a "Sergeant Pepper" mural painted by Bargeot and his pals adorning one wall.

The clothes themselves have an exuberant innocence, from those Barbie-doll dresses in white waffled pique to hip-hugger pants in yellow tablecloth check paired with buttercup vinyl blouson jackets to his best-selling patchwork-of-pastels T-shirts in stretch terry-cloth with color-matched minis.

At 589 francs (\$117), those

Barbie dresses are among the most expensive items in the boutique. Already, the department stores Galeries Lafayette and Au Printemps have added the Bargeot line to their junior selection.

Bargeot is also well repre-

sented in his shop — including

Xuly Bet, Etoile Kritos, and Toi

du Monde — just walked in off

the street with their collections,

and Lainé bought. He says he

was the first to buy Xuly Bet

more than four years ago.



Tim Bargeot's rue Quincampoix boutique, left, and Bonnie Cox's in Montmartre.



Pat McColl

"My criteria? That the clothes sell and that women look good in the clothes. That's what counts the most," he says.

His latest addition, and for the moment carried exclusively by Lainé's shop, is Hilda Heim, whose long, slim dresses and skirts mixing different dark brocades and satins are in the more sophisticated direction Lainé feels is growing stronger as the decade draws to a close.

For more of the new sophistication, check out the first spring windows at the Maria Luisa boutique at 2, rue Cambon, where owner Maria Luisa Poumaillou has flanked a John Galliano suit with two outfits from Andrew Gn (pronounced ge-en), a relative newcomer to the Paris scene. Gn held his first runway show March 14 at the Cercle Républicain.

"Deconstructivism is no longer a trend, and even designers who worked this way are into the new sophisticated spirit," Poumaillou says. "Andrew's look, which is basic and clean, works very well with the change."

Like Galliano, Gn, who was born in Singapore, graduated from St. Martin's College of Art in London, with further fashion studies at the Domus Academy in Milan when Gianfranco Ferré was director of the school.

After he graduated, several Italian and French couturiers offered him jobs. He decided on Ungaro because, as Gn

says, "He is a hands-on designer. He doesn't just sketch and give the sketch to his ateliers to work out. He's there at every step."

In 1993, working out of his own line with, in the beginning, just knits and jerseys. Recently he moved into a larger space in a Napoleon III building designed by French architect Violette-le-Duc.

The collection includes the knits, dresses and tailored pieces that have been bought by Saks Fifth Avenue and Barneys in New York, Harrods in London and Maria Luisa and Victoria in Paris.

Meanwhile, over on the avenue Montaigne, the Italian invasion continues with the opening this week of a Genny boutique, a few doors up from Max Mara and Salvatore Ferragamo and just across the street from Krizia.

Another Italian name, Dona Anna, will open a 40-square-meter (3,500-square-foot) space at 51, avenue Montaigne later this spring.

house Dolce & Gabbana, Ischia, Roberto Cavalli and Sergio Rossi shoes.

Like the branch of Joseph a-

14, avenue Montaigne, Dona

Anna will have a small restaurant. But while shoppers at Joseph can dine on salads and ciabatta sandwiches, at 51, avenue

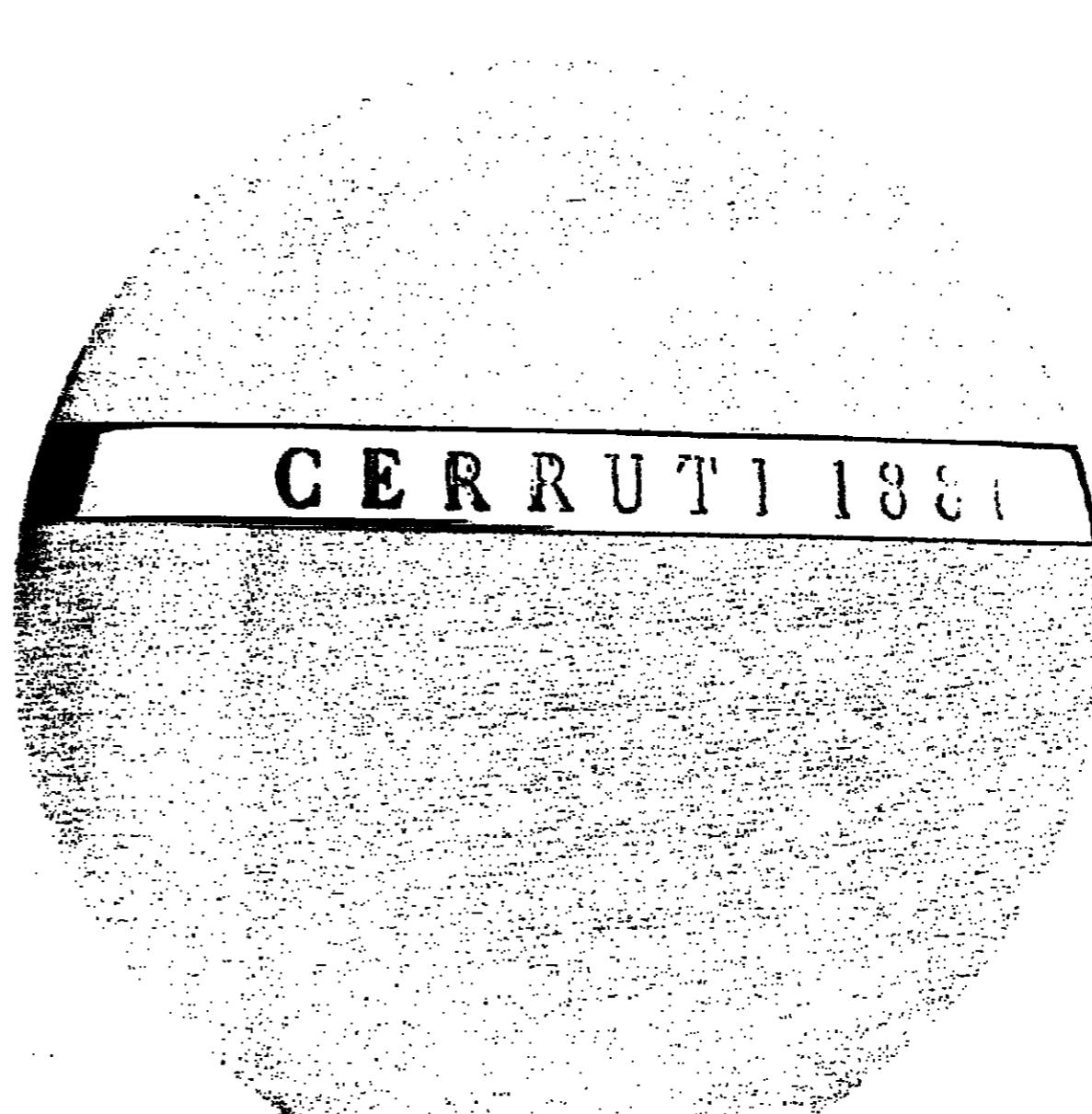
Montaigne they can get caviar.

PAT MCCOLL is a writer based in Paris.

lished Name  
fit Most From  
Luxury Book

# CERRUTI 1881

POUR FEMME



THE NEW FRAGRANCE FROM NINO CERRUTI

## FASHION / A SPECIAL REPORT

Power Dressing in Italy:  
The New Pivetti Look

By Roderick Conway Morris

MOGGIA, Italy — Irene Pivetti was rocketed to public prominence last year when she was elected *presidente*, or speaker, of Italy's Chamber of Deputies. At 31, she is the youngest person ever to hold the post, which under Italy's constitution is the third highest in the land after the president and prime minister. And only she and the speaker of the Senate have retained their positions since the fall of the government of former Prime Minister Silvio Berlusconi last December.

Being an attractive young woman would hardly seem to be an advantage to the person charged with keeping order in Italy's Parliament, where the uncouth behavior of some members would be more suited to the stands at a football match than to a legislative assembly.

Since stepping into the limelight, however, Pivetti, though clearly more interested in her career than in couture, has undergone a striking transformation of public image.

She vigorously voices an intense dislike of any discussion of her personal appearance and dress, arguing that if she were a man, little attention would be paid to her outward aspects. In fact, the contrast between Pivetti and the dapper Berlusconi — whose tailor-made, double-breasted suits and fastidiousness about his personal appearance suggest a public vanity of which Pivetti could never be accused — has led some observers to remark that Berlusconi, ever-prepared to appear on one of his own television channels, sometimes seems to be wearing more makeup than she does.

Nevertheless, Pivetti's studied, unremarkable look is now becoming positively fashionable and is being imitated by young women all over Italy. In particular, the distinctive, cravat-style knot of her silk scarves is being adopted from Padua to Palermo.

Even the Italian television personality Ambra Angiolini, who is adulated by regiments of miniskirted teenyboppers and pubescent male admirers, has praised Pivetti's suits, though Pivetti herself may regard this as doubtful compliment.

Having abandoned the casual, loose-locked student look with which she arrived in Rome as a young deputy from Milan in 1992, Pivetti has adopted a permanent hairstyle and a wardrobe heavy in pastel-colored suits in a style reminiscent of Margaret Thatcher.

A devout Roman Catholic, Pivetti keeps her hemlines modest and her throat covered, usually by that signature scarf covered, usually by that signature scarf treatment. Gai Mattioli, a young Roman designer, recalled that when Pivetti bought a suit from him that she found too revealing for her taste, she "immediately

covered it all up with the usual scarf," he said.

It would be a challenge for any woman to have to acquire overnight an entire wardrobe suitable for official occasions and for being in public view for many hours a day, let alone in fashion-slaved Italy. And Pivetti obviously had neither the inclination nor the financial means to become associated with a major Italian designer.

So last summer she zoomed in on a single, emphatically non-designer clothing manufacturer, Carla Carini, in the heart of the provincial North. Since then Pivetti has appeared in public almost exclusively in their clothes.

Pivetti's first appearance in her new wardrobe was as the state's representative at Venice's Regata Storica, the city's traditional rowing race on the Grand Canal. The event coincides with the Venice Film Festival, guaranteeing the presence of a reasonable complement of celebrities and glitterati.

Pivetti wore an outfit in Venetian red, a distinctive shade of burgundy that provides the background of the Venetian flag, with gold buttons — a *coup de théâtre* of color-coordination in a city where the Northern League is strong.

Presidente Pivetti spent half a day here just before the Venice Regata, and chose from what was already available off the peg, said Carla Gasparini, the co-founder, with her brother Ettore, of Carla Carini.

Their factory is in Moggia, a small town south of Mantua where the primary industries are agricultural, but which is close to Carp, a large knitwear center.

Gasparini said Pivetti almost always chooses from ready-to-wear. An exception was an evening dress for the opening of the opera at La Scala, which Carla Carini made to order as a one-of-a-kind gown. "We don't usually take special orders at all," said Gasparini.

She added that a very strong part of Pivetti's philosophy is that "she does not want to appear special, but as a normal, serious-minded person like any other." "With her job and responsibilities, it's essential for her to feel comfortable. So for her it's not primarily a case of fashion, but of practicality."

Pivetti has "extremely clear ideas about what she wants," Gasparini said, adding that the only input she made is to suggest alternative colors, since Pivetti overwhelmingly favored pastels, and to advise her on materials — "which ones, for example, would crease less if you spent the whole day sitting down."

Carla Carini — which, in addition to the line chosen by Pivetti, makes the cheaper Oro Nero and Diorio lines aimed at a younger market — is a classic child of the Italian economic miracle. The firm began in the late 1960s as a manufacturer for



Irene Pivetti at Parliament

others, principally German companies. In 1977 the Carla Carini label was launched to sell products created by Gasparini and her team of in-house and freelance designers.

The Carla Carini flagship label now offers nearly 300 models per season. Tailored wool jackets retail for around 550,000 lire (\$330), skirts are 200,000 lire and trousers 260,000 lire, with summer cottons and silks at about half these prices.

The firm sells through about 1,500 shops in Italy and has yearly sales of 40 billion lire. About 20 percent of sales come from export, principally to Germany, Switzerland, Spain and the Far East.

As befits her position as couturier to one of Italy's most powerful but un-style-conscious women, Gasparini has a very down-to-earth view of her business.

"I suppose there are basically three types of fashion," she said. Something that's simply fashionable, targeted at a young market, so it doesn't matter if it's produced at very low cost, and even made of plastic. Then there's fashion with a capital 'f', made by stylists for a tiny but very rich market, while we in the middle try to produce a well-designed, well-made and finished product that will last several seasons."

RODERICK CONWAY MORRIS, a writer based in Venice, specializes in cultural subjects.

## '90s Credo: Dress Down for Success

By Richard Martin

NEW YORK — The philosopher Henry David Thoreau admonished, "Sell your clothes and keep your thoughts."

To advocates of casual professional wear and dress-down Fridays at the office, Thoreau's simplicity and individualism are credo and conscience. American informality is addressing and changing the dress of the workplace.

When International Business Machines Corp. announced in February that its longstanding (though never written) dress code was to be relaxed, another major company entered the ranks of the American firms tolerating more informal dress standards, either daily or on designated casual days, customarily Fridays.

A 1992 survey of 504 companies, conducted by Levi Strauss & Co., indicated that 265 had dress-down days or a casual dress policy. That number has grown recently.

Informality, some argue, is the American spirit, especially in these times of the new downsized, noncorporate, entrepreneurial company.

When Steven Spielberg, Jeffrey Katzenberg and David Geffen announced they were setting up a billion-dollar entertainment and media business, they did so without benefit of dark suits and power neckties. Katzenberg wore a cut-and-sew shirt and tie, but he doffed his jacket.

Nerd-look CEOs direct the software industries, and information highways carry no dress regulations. Presidential candidates, especially Democrats, and even presidents are seen in casual attire.

Menswear manufacturers are keenly aware of the casual influence. Tommy Hilfiger and Nautica by David Chu, both big names in sportswear, have recently introduced tailored clothing to allow men to select entire wardrobes from the sportswear racks.

But men are the lesser part of the changes. Dress codes are changing principally because of the new role of women in the workplace.

Women have brought to the office the dynamics of a complex life that may seek flexi-

time, a workout in lieu of lunch, a chance to chauffeur kids to play-group instead of taking an afternoon coffee break, and other slackening of the strict regimen of the workplace.

Women's dress for work has customarily defied the rigid codes of male dress. Now, women have transformed all dress codes.

In addition, women at work have continued to practice the dress they perfected when they were generally denied equal employment. Women will continue to employ in a professional context their sense of style and pride in ap-

pearance and skills. Its identifier was its dress-code pride in a banal professionalism.

Then, Sloan Wilson's novel "The Man in the Gray Flannel Suit" (1955) found more sartorial villainy, this time in the uniform of new advertising executives. Thirty years later, Wilson would say of the novel: "I wasn't thinking about what was happening to the country when I wrote it. The only thing I was thinking about was what was happening to me." Inexorably, the country he rebuked was beginning to chafe at the corporate collar and investiture in success.

John T. Molloy's formulaic

tant to don the raiment of so-called success even for the office.

Does a relaxation of dress codes at the office yield a democracy worthy of de Tocqueville or Thoreau? In fact, informality can be either an alternative uniformity or a bothersome anarchy. Some companies, such as American General Corp. of Houston, have offered a casual-day experiment but rescinded it when casual attire lapsed into personal indulgence.

True, jobs may vary. Client contact can dictate against casual attire for some positions, while other jobs in the same company may have no public visibility.

NONETHELESS, is freedom in dress inalienable? Or do we prefer to dress for our social and professional contracts in signifying and significant ways, perhaps leaving personal taste to leisure attire and the choicer nuances of dress selection for business?

Already, some who found the white collar too tight are suffering from quandaries of meeting the more indeterminate standards of professional-casual compromise. Like any other freedom, dress is a practice of individualism, but it's also a mode of exchange. We dress to achieve self-satisfaction, but also to project self-confidence with our peers. We dress in expression, but we dress to relate and affiliate.

Thoreau's morality and modesty of dress was easy. He did not show up at the office or meet clients. Ironically, America in the 1990s may soon come to wonder if life was not a lot simpler when there were defined behavioral and dress codes.

Dress code violations are not likely to be as litigious or bitter as sexual harassment in the workplace or equal opportunity infractions, but the American office is changing. New freedom is always new viscidus. In this case, new clothes, too. Thoreau also warned, "Beware of all enterprises requiring new clothes."

RICHARD MARTIN is head of the Costume Institute at the Metropolitan Museum of Art in New York.



Nikolaas Adriaan/HT

"Dress for Success" (1975) reiterated the corporate pyramid as a lifestyle and apparel model.

Conservative professional dress was so predictable and intractable in the changing era of the 1970s that it became risible and ripe for change in the entrepreneurial 1980s and 1990s.

The first subtle subversions of the suit came from high-style saboteurs such as Giorgio Armani, who flayed the infrastructure of men's suits, then defined a 1980s power suit, and then subjected tailoring to fashion change fluctuating from loose to fitted in the 1990s.

The next blow to dress coding came from a generation that, having grown up in jeans and without dress codes in school or restaurants, was reac-

hived to the dynamics of a complex life that may seek flexi-

pears, at least until every glass ceiling is broken.

Changing dress codes are hardly part of a feminist conspiracy, but they are a mandate that women have initiated and a gender battle for which women are, in general, better prepared than men.

Geography, too, plays a role.

Strict dress codes of the

1970s have long been spurned by California and the Southwest.

New York remains the dressiest of American cities for professional and social attire.

But the handwriting is on the wall, and on the bookshelves. The process was set in motion nearly 50 years ago by two image-making books.

C. Wright Mills's influential

treatise "White-Collar" (1951) castigated a drifting middle class bereft of traditional

Molecules and microbubbles have entered the vocabulary of fashion design as fabrics with built-in stress control, fragrance or thermal and ultraviolet protection bring secret function to our clothes. Fibers now have inherent memories and enormous powers of stretch and recovery. The legendary Lycra can stretch to five times its original length.

A technico-textile like Toray's H2OFF fabric is constructed with millions of microcrimped fiber loops, with the result that any moisture simply rolls away from the surface. Another Japanese company, Unitika, has produced a "solar power" fabric made up from particles of ceramic materials that are sealed into fine filament fibers to create a cloth which has a "positive" thermal mechanism so that the sun's heat is "stored" within the garments. But it is not just for their invisible performance values and magic molecular structures that many fashion designers are choosing synthetic fabrics. The fabrics also offer an exciting new range of surfaces, textures and sculptural shapes.

Synthetic materials have reinvented the silhouette in fashion. This is largely due to the influence of the Japanese and, in particular, to Issey Miyake — who, in a 20-year collaboration with the fabric engineer Makiko Minagawa, has influenced a whole generation of fabric and fashion designers.

Polyester, perspex, silicone, shrunken nylon, microfiber taffetas and monofilament guazes undergo unspecified chemical and heat treatments and emerge as mysterious signature garments, unmistakable Miyake and equally at home in a wardrobe or an art gallery. They are sculpted forms, textured cocoons in astonishing materials that can be chemically pleated, waves, ripples and wrinkled or made into wrinkle-free acetate, rayon and linen mixes.

Alongside the interactive or reactive possibilities of new fibers, synthetic textiles will certainly bring about the softening or "humanizing" of information technology by allowing it to be integrated with our clothing; anything that can be carried by a fiber can be woven or knitted into our garments. Soon, all our technologies will be wearable — the ultimate in computer "softwear."

SUSANNAH HANDLEY is a tutor in fashion and textiles at the Royal College of Art in London.

## Synthetics Outshine 'Natural' Rivals

By Susannah Handley

LONDON — Ask anyone if they prefer "natural" or "synthetic" and they will surely come down on the side of nature. But words can be misleading.

Our perceptions of the natural and the man-made are becoming more and more blurred, and today, everything from nature-identical fibers to life forms can be created in the lab. As a result, designers and consumers have become reacquainted with science and technology.

What is natural and what might be unnatural in fabrics? Which of our senses can truly make the distinction — sight, touch, smell? Is it true that natural is good and man-made is evil? Why do we currently have a techno-fad in fashion? "Nature" and "ecology" were significant fashion stories a few years ago, but we can't expect the industry to renounce indulgence altogether, and the temptations offered by the new synthetics have proved to be irresistible.

This season's collections are filled with brazen polymers and vividly synthetic clinging fabrics. Whether the fabrics consumed are "unnatural" or not, fashion wantonly "spends" resources, and it cannot yet be clearly determined that synthetics are any more environmentally damaging than the prettily wholesome naturals.

Many vegetal fibers, including leeks, have been turned into trendy '90s fabrics. But we have perhaps forgotten that the oldest man-made fiber, rayon (invented in 1894), was itself made from trees — from the same cellulose components that also make paper.

We could also argue that even nylon, the first "true" synthetic patented by DuPont in 1938, is also natural in its origins. Nylon — and its chemical acquaintances, like polyester, acrylics and acetates — are all products of the petrochemical industries, and the oils and gases that blend to make these synthetic fabrics are themselves derivatives of ancient organic life.

The whims of fashion are greatly influenced by the prevailing attitudes to science and technology. Nylon was the universal wonder fabric in the postwar years, when science was the world's gateway to a drip-dry Utopia.

In the moonstruck 1960s,



A Dirk Bikkembergs synthetic stretch outfit for fall.

bonded and welded together, and Paco Rabanne declared that sewing was a "bondage."

Silk, linen and cotton again became status fabrics during the technologically troubled 1970s and 1980s. "Everything natural" was back in favor, and the natural fiber producers seized their opportunity with emotive slogans like "Wool on grass." Ecological disasters damaged the reputation of all things man-made, and the oil crisis helped to banish polyesters to the much ridiculed shell suit or, along with other man-mades, to the well disguised blend.

The one exception to that era was Lycra, which had languished for 30 years and was originally known as Fiber K. When fashion became body-conscious and took its influence from the gym, Lycra was the perfect fiber to bring that flattering cling that would flaunt taut muscles.

Textile and fashion design are entering a new era of technical interaction with "intelligent fibers" and "smart fabrics" that will breathe, adapt to temperature changes and enclose us in our own personal microenvironments.

Yves Saint Laurent



## MARKET DIARY

## Stocks Are Mixed As Options Expire

Bloomberg Business News

NEW YORK — U.S. stocks finished mixed Friday as efforts to extend a rally that had already driven major market averages to record highs twice this week showed only moderate success.

Equities were being held back by a weak dollar and a soft

## U.S. Stocks

market for Treasury bonds, and trading was also skewed by a simultaneous expiration of stock options and index futures and options. But some analysts remained optimistic that corporate earnings would continue to grow this year even as the U.S. economy slowed down.

"The earnings momentum is still strong," said Steven Adler, president of ASM Fund in Tampa, Florida. He predicted that earnings of the 30 companies in the Dow Jones industrial average would grow by an average of 26 percent this year.

The Dow gained 4.50 points to close at 4,073.65. But declining issues outweighed advancing ones on the New York Stock Exchange by slightly better than a 3-to-2 ratio on heavy

volume of about 415 million shares.

Consumer stocks were among those that gained. Since the first of January, the Morgan Stanley Index of 30 consumer stocks has risen 11.3 percent, while its index of 30 so-called cyclical stocks, whose performance is tied closer to that of the overall economy, has gained only 1 percent.

Consumer companies "have improved earnings relative to the S&P 500 compared with the cyclicals, which are probably at peak earnings growth," said Anthony Dwyer, chief market strategist at Josephine Lyon & Ross. "You want to own stocks whose relative earnings growth is going up, not down, and that are not subject to an economic slowdown."

Among the most active stocks on the Big Board were Teléfonos de México's American depositary receipts, up 1/4 to 26%; McDonald's, up 1/4 to 35%; and PepsiCo, up 1/4 to 40%. Motorola fell 1/4 to 55%; AT&T slipped 1/4 to 52%.

The benchmark 30-year Treasury bond fell 1/2 point, to 103 4/32, leaving the yield unchanged at 7.36 percent.

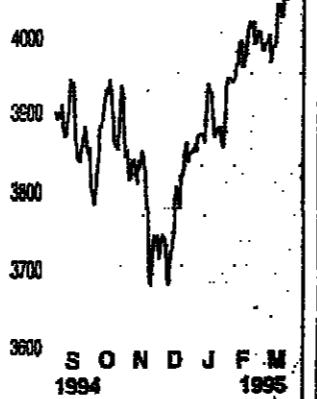
Via Associated Press

March 17

## The Dow

Daily closings of the Dow Jones Industrial average

4/100



4000  
3800  
3600  
3400  
3200 J F M  
1994

## Dow Jones Averages

Open High Low Last Chg.

Indus 4024.07 4025.73 4022.50 -0.25

Trans 188.44 188.44 186.59 187.32 -0.25

Corpo 1329.78 1329.77 1330.07 1337.54 -0.57

High Low Close Chg.

Industrials 500.00 500.50 500.45 +0.75

Utilities 151.59 152.02 151.28 -0.84

Transport 474.00 474.00 474.00 +0.00

SP 500 476.00 476.00 476.00 +0.00

SP 100 446.00 446.00 446.00 +0.00

High Low Close Chg.

Standard & Poor's Indexes

Open High Low Last Chg.

Industrials 500.00 500.50 500.45 +0.75

Utilities 151.59 152.02 151.28 -0.84

Transport 474.00 474.00 474.00 +0.00

SP 500 476.00 476.00 476.00 +0.00

SP 100 446.00 446.00 446.00 +0.00

High Low Close Chg.

NASDAQ Indexes

Open High Low Last Chg.

Composite 181.24 181.24 180.50 -1.11

Small Stocks 170.36 170.36 170.36 -0.00

Insurance 101.82 101.74 101.49 -0.23

Transport 120.27 120.27 120.27 -0.00

Trans. Services 194.55 194.55 194.55 -0.00

Finance 274.34 274.34 274.34 -0.00

High Low Close Chg.

NYSE Indexes

Open High Low Last Chg.

Composite 181.24 181.24 180.50 -1.11

Small Stocks 170.36 170.36 170.36 -0.00

Transport 120.27 120.27 120.27 -0.00

Trans. Services 194.55 194.55 194.55 -0.00

Finance 274.34 274.34 274.34 -0.00

High Low Close Chg.

AMEX Stock Index

Open High Low Last Chg.

456.71 457.42 456.03 -0.44

High Low Close Chg.

Dow Jones Bond Averages

Open High Low Last Chg.

10 Bonds 77.45 +0.15

10 Utilities 72.25 +0.10

10 Industrials 101.00 +0.05

High Low Close Chg.

NASDAQ Most Actives

Open High Low Last Chg.

Advanced 482.61 482.61 482.61 -0.00

Declined 320.01 320.01 320.01 -0.00

Unchanged 236.25 236.25 236.25 -0.00

Total Issues 104.00 104.00 104.00 -0.00

New Issues 21.00 21.00 21.00 -0.00

New Laws 21.00 21.00 21.00 -0.00

High Low Close Chg.

AMEX Diary

Open High Low Last Chg.

Advanced 473 472 472 -0.01

Declined 325 325 325 -0.00

Unchanged 236 236 236 -0.00

Total Issues 104 104 104 -0.00

New Issues 21 21 21 -0.00

New Laws 21 21 21 -0.00

High Low Close Chg.

NASDAQ Diary

Open High Low Last Chg.

Advanced 1564 1564 1564 -0.00

Declined 1025 1025 1025 -0.00

Unchanged 236 236 236 -0.00

Total Issues 1794 1794 1794 -0.00

New Issues 35 35 35 -0.00

New Laws 35 35 35 -0.00

High Low Close Chg.

Spot Commodities

Open High Low Last Chg.

Crude Oil 142.00 142.00 142.00 -0.00

Gold 375.00 375.00 375.00 -0.00

Silver 11.75 11.75 11.75 -0.00

Pt 10.00 10.00 10.00 -0.00

Crude Gas 1.00 1.00 1.00 -0.00

Gasoline 1.00 1.00 1.00 -0.00</



# U.S. Quietly Renews Push for Japan Auto Pact

Los Angeles Times Service

WASHINGTON — The White House has quietly begun to step up pressure on Japan to reach an agreement to open its auto market to U.S. companies, and it summoned the Japanese ambassador to emphasize the importance of the issue.

Negotiators have made "zero progress" in their attempt to break down Japanese barriers to imports of U.S. autos and auto parts, a senior Clinton administration official said.

While the United States is holding back from specific threats of trade sanctions or from setting specific deadlines, it might try to move up to next month a September deadline the two countries set for reaching an accord.

"We will not wait forever," said the official, speaking on condition of anonymity. "The time for serious negotiations and resolution of this issue is now."

The renewed but behind-the-scenes effort comes shortly after the administration turned a corner in another troublesome trade relationship — reaching a copyright piracy agreement with China — and at a time when negotiations with European countries have been put on hold because of a dispute over naming the first chief of the World Trade Organization.

U.S. officials expressed concern that Tokyo may have misunderstood Washington's low-key approach as a lack of interest. "Nothing could be further from the truth," Mickey Kantor, the U.S. trade representative, is said to have warned Ambassador Takafumi Kuriyama on Thursday.

The new push also comes as pressures are building on President Bill Clinton to take action. The House minority leader, Representative Richard P. Gep-

hardt, Democrat of Missouri, is talking about seeking legislation renewing the U.S. authority to retaliate against unfair Japanese trade practices, and nearly 100 members of Congress have signed a letter to Mr. Clinton warning him that talks with Japan must show some sign of progress by the end of the month to avoid deteriorating of U.S.-Japanese ties.

The only operative agreement between the two countries regarding autos was reached in 1992, when Japan voluntarily pledged to buy \$19 million worth of U.S. auto parts over a period that ends March 31.

In 1994, Japan ran up a \$65.7 billion trade surplus with the United States, nearly two-thirds of which was attributed to the nearly one-way auto trade. While U.S. auto sales are slowly increasing in Japan, the market is still considered nearly closed, with U.S. companies holding only a 1.5 percent share.

The auto talks are a critical element in the framework established for U.S.-Japanese trade negotiations in July 1993, when Mr. Clinton visited Tokyo. With progress made in such business sectors as glass sales, medical equipment and telecommunications, negotiators last year quietly turned their focus toward automotive issues, the most intransigent and potentially lucrative element of the trade agenda.

The senior administration official said that Mr. Kantor had expressed to Mr. Kuriyama the administration's "strong concern" about the lack of progress in an area in which the United States is "wide open" to foreign products, with Japan automobiles accounting for 24 percent of the U.S. market.

The shift was recommended by the China Securities Regulatory Commission.

Wang Chunqi, the deputy director of Yizheng's share business office, said that if all 600 million shares were issued and listed in China, the volume would be too much for the domestic market to absorb.

"The domestic 'A' market is not mature and

is in disorder and undergoing standardization," Mr. Wang said.

But analysts said the company may not find strong international demand for the issue. Investors already holding Yizheng shares in Hong Kong showed their disapproval by sending the stock to 2,625 Hong Kong dollars (34 U.S. cents), down 10 cents.

"This is favorite stock of foreigners, but they may be proved wrong this time and this decision could affect confidence," said Ambrose Chang, fund manager at East Asia Hamon Asset Management. "It's a policy problem in China. They're trying to intervene in the market a bit too much."

Yizheng's financial adviser, S.G. Warburg Securities Asia Ltd., was selling the stock on behalf of clients, prompting some fund managers to speculate that the company is setting its initial sights on an offer price for the new shares of about 250 Hong Kong dollars.

Wu Wenying, chairman of Yizheng, said the shares would be priced "with reference to the prevailing market price at the time."

(AFP, Bloomberg)

## China Moves Yizheng Issue

Compiled by Our Staff From Dispatches

SHANGHAI — China's securities authority has approved the partial conversion of a chemical company's big local share issue into a Hong Kong issue to maintain stability on the stock market, analysts said Friday.

Yizheng Chemical Fiber Co., which issued and listed 1 billion shares on the Hong Kong stock exchange last March, had intended to issue 600 million A shares, which are reserved for Chinese investors, on the local market.

But after issuing 200 million A shares in January, the company will now offer the remaining 400 million shares in Hong Kong, the Shanghai Securities News daily reported.

The shift was recommended by the China Securities Regulatory Commission.

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(AFP, Bloomberg)

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## FIRST COLUMN

## The Myth Of International Markets

There are times when one wonders whether the concept of international finance is, as far as the individual investor is concerned, no more than that — just a conceit.

The clearing of personal checks affords a good example of how the big players — the institutional investors and the banks — seem almost to be conspiring against the individuals from whom they make so much money. The transfer of funds across borders is generally carried out with great speed and efficiency — if the parties are banks, that is.

Naturally enough, if the fund transfer is being effected between individuals or small businesses, things are very different. Nevertheless, the rates charged for processing a check made out in a nonlocal currency are generally penal. Always assuming, that is, that the consumer can persuade the bank to process "foreign" paper at all.

The consumers' difficulties, say the institutions, arise from the fragmented nature of the world's financial system. Each nation has its banking and insurance regulations, and it is difficult to move smoothly from one country to another.

This is doubly true, we are told, when the service being provided is insurance. Insurance is all about knowing your risk, and ultimately there is no substitute for local knowledge. So by definition we are left with a situation of disparate markets, each with its specialists.

That argument may hold good for, say, a Thai man seeking life insurance from a Venezuelan insurer. But for the international consumer, the expatriate or the person working in more than one country, it is little short of a catastrophe. "International" life, accident or health policies are invariably very expensive, despite the easily quantifiable risk that, say, a high-profile executive — supposedly an inhabitant of the global village — typically represents. Sadly, progress to homogeneity will be later rather than sooner, if the disarray in the EU insurance market is any guide.

M.B.

## For Insurance Buyers, It's Still Very Much a Europe of Nations

By Barbara Wall

The assumption that the adoption of a single market in insurance would stimulate competition and allow consumers access to a wider range of contracts has proved fanciful, according to BEUC, the European Consumers Association. The organization reports that Belgian consumers are still paying double the insurance premium of their French neighbors for the same level of cover, while the hard-pressed Austrians can face rates three times higher than their British counterparts. Worst off are the Portuguese, who, according to the consumers' group, typically pay up to eight times more than British consumers for the same life insurance.

BEUC states that Britain, Ireland and the Netherlands are the least expensive countries. They are also the countries where insurance companies freely set their own premiums. The more expensive countries are the so-called "tariff" market, such as Portugal, Greece and Austria, where the authorities have a hand in setting prices.

Although EU nationals can theoretically buy insurance from a company in a different member state, their efforts are frequently thwarted by tax restraints, linguistic problems and administrative barriers.

Alan Rae, assistant director for the pan-European insurers Eureko, an alliance of five major insurance companies, including Friends Provident in Britain, remarks that in some countries insurance contracts have to be written according to local laws, which can be onerous for foreign insurers. He also notes that the expense of marketing products in other European states is considered far too high given the relatively low volume of expected sales.

Manfred Ayasse, a director with the German insurers Allianz, said that such simple insurance products as term insurance can be sold across borders without too much difficulty. However, he notes that few insurers would be interested in writing this business as it generates very little profit. Even if clients approach companies on an own initiative basis there is no guarantee that the insurer will accept the business.

"Life insurance products which have an investment element attached are a much more attractive proposition for insurers. But it is extremely difficult to sell these contracts to foreign nationals," says Mr. Ayasse. "Pension products which are designed to supplement the old-age pension are particularly problematic as the insurance adviser must have a clear idea of how

the social security system operates in the client's country of residence before dispensing product advice."

On top of this are tax issues to consider. Most states allow citizens to deduct insurance premiums from taxable income provided the policy is bought from a local insurer. The situation is less clear cut if the policy is sold by a foreign insurer. Moreover, some states apply a premium tax on insurance contracts that is usually paid by the local insurance company. Where the policy is bought from a foreign insurer, the policyholder or broker ends up shouldering the tax burden. Until EU tax harmonization is a reality, uncertainty over the tax treatment of insurance contracts will continue.

Despite the difficulties involved in the sale of cross-border insurance policies, a growing number of companies are expressing an interest in this market, though for the time being some companies have limited their interest to specific countries. The international division of British insurers Friends Provident, for example, tailors its product literature to the Swedish market. Sweden is unusual in that last year around half of all insurance premiums went to foreign insurance companies. Mr. Rae says that this is largely due to the fact that the Swedish government does not discriminate against foreign insurers by imposing a premium tax on foreign insurance contracts.

He adds that the weakness of the Swedish Krona also encouraged many Swedes to invest in British life assurance contracts. Finally, it is worth bearing in mind that Continental European insurance companies rarely differentiate between smokers and nonsmokers, so there may be some advantage to be gained by signing with a Dutch or French insurer if you are a smoker. Conversely, British insurers offer competitive rates for nonsmokers. The savings for can be significant, especially for older age groups.

The expatriate market is proving a lucrative source of premium income for international insurers, say industry observers. A spokesman for the international arm of U.K. insurers Friends Provident, maintains that expatriates generally spend more on insurance products than domestic consumers. He adds that their interest also extends beyond basic term insurance and household coverage to such complex products as income replacement policies and investment products.

Rather than attempt to purchase insurance locally where the contract law may be unfamiliar, the choice of products limited and the quality of advice poor, many expatriates are typically advised to opt for an offshore insurance company which has a proven track record of dealing with expatriate clients.

Page 21  
INTERNATIONALLY UNINSURED?  
Mortal illness and life policies  
Toward a unified Europe  
Pre-existing policy values

This type of contract will be mainly of interest to British nationals.

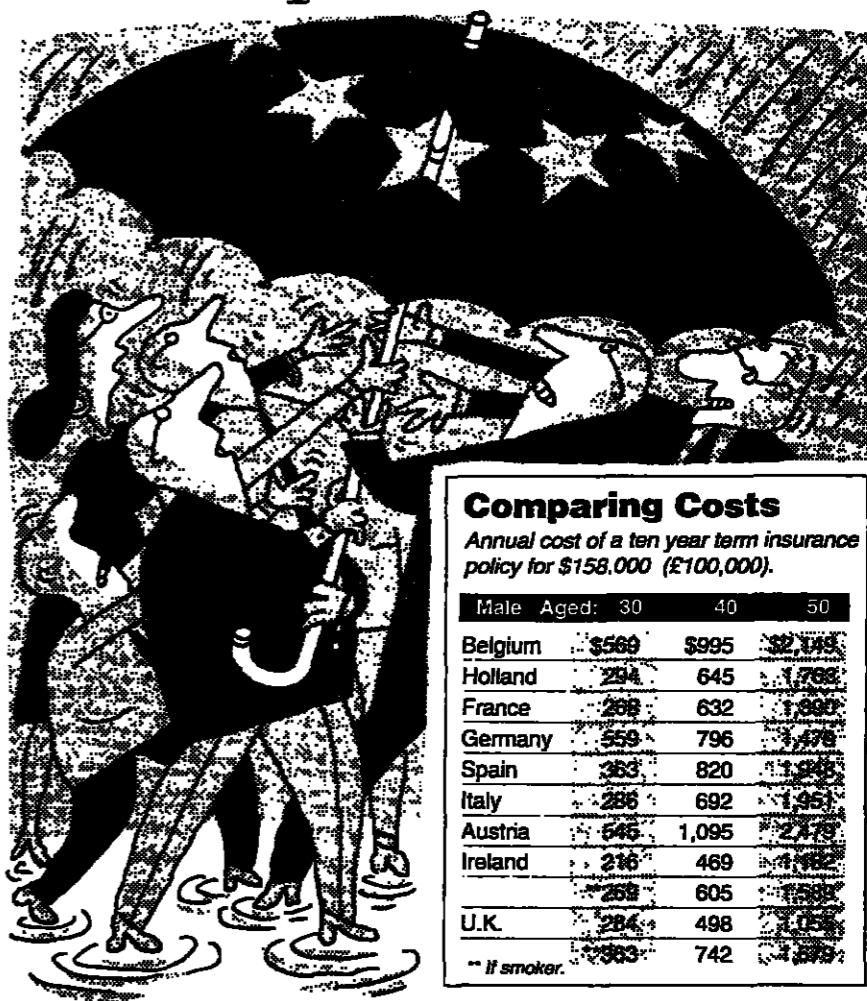
"It is essential that certain products, such as permanent disability insurance, are written in the client's home currency," said Mr. Rae. "Where there is a monthly income at stake the amount should not depend on the vagaries of currency movements."

When comparing insurers you may be tempted to opt for the cheapest cover available. This strategy will probably work for simple products such as term insurance, but it is not generally recommended for more complicated insurance contracts. Moreover, before committing your signature to the contract, check to see if a surcharge has been included in the premium rate. Some companies impose a surcharge on foreign currency contracts. This can bump up the premium by 15 percent.

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## Comparing Costs

Annual cost of a ten year term insurance policy for \$158,000 (£100,000).

Male Aged: 30 40 50		
Belgium	\$568	\$985
Holland	294	645
France	268	632
Germany	559	796
Spain	383	820
Italy	286	692
Austria	546	1,095
Ireland	216	469
U.K.	284	498
	283	742

\*\* If smoker.

## Cross Border Insurers

Annual premiums for a ten year term insurance policy for \$158,000 (£100,000).

Male aged 35	Male aged 55		
Smoker	Non-smoker	Smoker	Non-smoker
Cygnet Life UK	\$386	\$265	\$1,147
Swiss Life UK	507	344	1,687
Albany Life UK	488	291	1,967
Scottish Eq UK	421	352	1,567
Friends Provident UK	269	213	940
Generali Guernsey	362	385	1,880
Zurich Life International	341	341	2,168
Nationale Ned. Hol	419	419	2,915

Source: Company reports.

Drawing by Nicolas Asua/BT

## Europe's Approaching Retirement Crisis Seizes the Baby Boomers' Attention

By Baie Neitzer

Most investors are happy enough to make money on a single stock without searching for thematical investment concepts that link demographic trends, government legislation and new markets for a seemingly mature industry. Yet one of the few "grand visions" to have captured market watchers' attention is the looming retirement crisis in Europe and its potential lifeline to life insurance companies selling private pension savings plans.

Like most popular investment themes, the coming crisis appears wide in scope, fairly predictable, and easy to understand. Unfortunately, it also asks investors to focus on a time horizon of 10 to 15 years.

There are three factors supporting this development, according to Derek Elias, an analyst with Paribas Capital Markets in London. First, the baby boomers born in Europe following World War II will begin retiring around the year 2005 and their numbers will only increase in the following decades. In Britain, for instance, the portion of the population over age 60 will rise from 21 percent in 1990 to 30 percent by 2050, Mr. Elias said.

Second, today's low birth rate will increase the state pension burden for members of Europe's future work force. While there were 4.8 French workers supporting every retiree in 1990, that ratio will fall more than half to 2.3 workers per retiree in 2050, Mr. Elias said.

"The numbers don't look much different in other European countries," he said. "In

the future, states will simply be unable to finance the huge costs of the social security systems."

Longer life spans allowing for prolonged retirements represent the third factor behind the coming crisis. These demographic developments and the likelihood that governments may eventually reduce state-sponsored pension benefits will likely force a growing number of Europeans to look to private pension savings plans for a measure of security.

Among the first to latch onto European pension developments as an investment theme was American mutual fund giant, Scudder, Stevens & Clark. Scudder's senior insurance analyst, Peter Taylor, said the pension revolution has already begun in Italy, the Netherlands and some Scandinavian countries as tough economic times

have placed traditional, highly socialized systems into question.

In Italy, for example, the recently privatized INA began encouraging many policyholders to invest in pension-based products after the Italian government wrote a tax break for private pension plans into the tax code. Mr. Taylor said.

"It's not so much that life-insurance companies are saying, 'Gee, let's try this product,'" Mr. Taylor said. "This is all being fostered by government changes because countries just can't afford these social systems any longer. It's a ticking time-bomb."

Analysts warn, however, that investors seeking to profit from the coming changes will have a hard time finding many pure life-insurance stocks in Europe. The largest insurance conglomerates often combine

property-casualty operations with life-insurance businesses selling pension plans.

"The problem is that most of the pure life insurance companies are small," said Roland Andreasson, insurance analyst at Lehman Brothers in London. "So even though it's a great idea to buy life insurance stocks, from a practical standpoint, it's a hard industry to gain exposure to."

In France, the largest life-insurer is the government-owned CNP, which sells retirement savings plans through the French post office and regional banks. Scheduled to be privatized sometime this year, Mr. Elias of Paribas says the long-term prospects of the company are good.

The long-term nature of the European pension revolution that many are predicting makes it difficult for analysts to identify which specific insurers will have the

most success. UAF, for instance, sells private pension plans through branches of Crédit Lyonnais, but because the plans are complicated, it has had more success with simple savings products, according to Mr. Andreasson.

"There's nothing short-term to tell me that there will be a lot of money flowing into private pension plans," Mr. Andreasson said. "Until governments give a straight signal that the state can't cope, people are going to believe them."

Political sensitivity to tampering with a pension benefit or enacting tax breaks means progress in most European countries is slow. In France, for instance, some type of tax break for individuals investing in private pension plans has been expected for two years, "but we keep seeing it delayed," Mr. Andreasson said.

## Best and Worst Performing Emerging Market Funds

Total % return for U.S. dollars in Jan. 31, 1995

OVERALL LEADERS		OVERALL LAGGARDS	
Over three months	117.18	Over three months	58.89
Philips Strategic Investments	102.14	Medical Investment Company	58.89
Korea Domestic Convertible Bond Fund	97.54	Lippo Asian Growth Fund	58.49
Geo Summit Class E (Brazil Equity)	97.02	Monetta Fund	54.09
Geo Summit Class C (Brazil Fixed Income)	96.44	Paribas EM Mexico Portfolio	51.76
Cipriani Balanced Fund (Brazil Equity & Bond)	96.37	Globe Mexican Horizons	49.98
Geo Summit Class A (Brazil Equity)	95.97	Monetta Fund	49.95
Geico Yield Fund (Brazil Fixed Income)	7.18	ML Mexican Income Fund	47.95
Horizon First Polish Fund	4.53	Monetta Income Fund	47.76
Diamond Debt (Brazil Fixed Income)	4.28	Monetta Portfolio Fund	47.33
Umbrella Debt Brazil Fund Income	4.28	Over six months	55.00
Over six months	107.70	Equity Master Fund	55.67
Geo Summit Class E (Brazil Equity)	107.69	Monetta Investment Company	55.28
SBM Brazil (Brazil Equity)	105.62	Monetta Fund	50.74
Philippine Strategic Investments	95.62	Globe East Asia	50.67
Eagle Fund (Brazil Equity)	93.95	Asian Asian Hedges Fund	208.40
East Asia Fund	93.95	Templeton EM Fund, Inc.	205.30
Geico Yield Fund	27.05	ML Mexican Income Fund	45.95
Geo Summit Class C (Brazil Fixed Income)	27.05	Monetta Appreciation Fund	44.66
Horizon First Polish Fund	10.91	Monetta Platinum Income Fund	44.42
Star High Yield (Brazil Equity)	10.19	Monetta Fund	40.42
Umbrella Debt (South Africa Equity)	10.19	Over one year	74.10
Brazilian Investments SA	10.03	Lippo Asian Growth Fund	64.98
Geico Yield Fund (Global Bond Income)	9.98	Monetta Investment Company	64.98
Geico Yield Fund (Global Equity)	9.98	Emerging Mexico Fund	64.23
Geico Yield Fund (Global Bonds)	9.98	Monetta Fund	59.32
Geico Yield Fund (Global Equity)	9.98	One-Active (East Europe Equity)	59.30
Geico Yield Fund (Global Bonds)	9.98	Monetta Fund	59.28
Geico Yield Fund (Global Equity)	9.98	One-Active (East Europe Equity)	59.28
Geico Yield Fund (Global Bonds)	9.98	Monetta Fund	59.28
Geico Yield Fund (Global Equity)			

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## THE MONEY REPORT

## Help for the Terminally Ill

By Judith Rehak

**S**uppose you have a terminal disease and you've been told you have only a year to live. Perhaps you need to come up with the cash to pay for a bone marrow transplant, or maybe you want to pay for an AIDS drug that your medical insurance doesn't cover, or perhaps you're too ill to work and the bills are piling up.

Tapping into your life insurance benefits to pay for such costs in a terminal illness is relatively new in the United States, but it is becoming more common, spurred in a large part by the AIDS epidemic. The concept is called "accelerated death benefits" and it allows the terminally ill who have a year or less to live to receive a part of their death benefits while they are still alive.

Some 213 life insurance companies, which handle 70 percent of the life insurance business in the United States, now offer this option and in most cases, policyholders only pay for it if they use it, according to the American Council on Life Insurance.

The circumstances under which benefits are paid out, and the amounts, vary among insurers. For example, Prudential Insurance Co., which pioneered the concept and has actively promoted it since 1990, will pay out as much as 90 to 95 percent

of a policy's value to an individual whose doctor certifies that they have six months or less to live. It has paid the most claims — some 690 averaging \$79,450 apiece — up to the end of 1994.

A more conservative approach is taken by Northwestern Mutual Life Insurance Co., which has paid 35 claims since it introduced the benefit two years ago, and will advance a maximum of 50 percent, or \$250,000 — whichever is the smaller — to a policyholder with six months to live.

"We rely on our field agents to let us know who might need it," explains Greg Oberland, the company's vice president of life and disability benefits.

Insurance companies report that holders are using their accelerated death benefits primarily for AIDS and cancer treatment, but they also need them to deal with the financial devastation that come when a wage earner is too ill to work.

"Several persons paid off creditors, and one person who was going to lose his home paid off the mortgage so he had a place to live until he died," said a Prudential spokesman.

Others have used part of the death benefit for "peace of mind," such as buying a grave site, taking long-postponed vacations, and making a financial gift to a loved one while they could see it being enjoyed.

But as welcome as this benefit is for the terminally ill, it is

still available to few. Only about 18 million policyholders, about half of 1 percent of the U.S. total, now have the option.

"And even if you have it, you can't use it if your life expectancy is more than a year," said David Landay, president of National Viaticus Representatives, a group that advises individuals who are ill on how to draw cash from their insurance. Some companies, he said, restrict payments to medical payments or to not more than 25 percent.

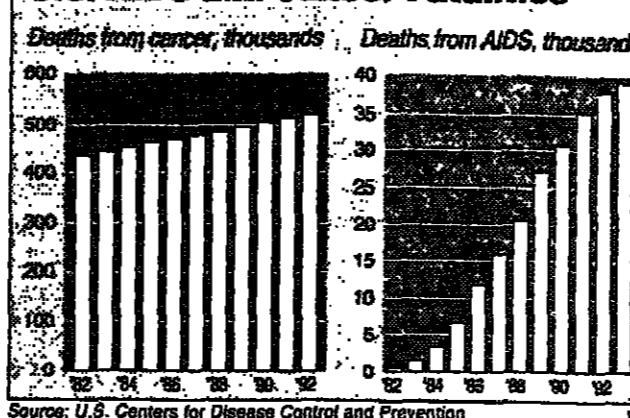
As a result, a second industry is growing rapidly in a business known as "viatical settlements," from the Latin *viaticum*, which refers to money and goods given to a traveler embarking on a long journey.

These groups buy life insurance policies from people who are terminally ill at a discount to their face value. The company continues to pay premiums, and collects the death benefit when the patient dies.

There are now some 40 companies in the viatical business, most of them small operations. Many act as brokers for pools of wealthy investors, attracted by returns of an estimated 20 percent, and more if the patient dies sooner than expected.

Not surprisingly, many people view the practice as ghoulish and predatory. "Personally, I think these groups should be regulated," said Mr. Oberland of Northwestern, who recalled

## U.S. AIDS and Cancer Fatalities



Source: U.S. Centers for Disease Control and Prevention

## Most Fearful? It's the Swiss

By Aline Sullivan

ing does appear to vary hugely between countries, however. For example, the litigiousness of Americans means that third party liability insurance of various kinds is enormously popular. Directors will often refuse to accept jobs unless they are covered by directors' and officers' liability insurance, which covers them against lawsuits from shareholders and others. The risks are very real.

In Japan and Switzerland, lawsuits of this kind are virtually unknown.

**A**mericans' reputation for fervently insuring against every eventuality may be undeserved. They do spend more than most people on insurance but they lag well behind the even more cautious Swiss and Japanese.

Annual worldwide insurance premium volumes total about \$1.47 trillion, according to a recent study by Sigma, the research arm of Swiss Reinsurance Co. That works out at an average expenditure of \$259 a person. But few countries come close to this average. Instead there is a huge discrepancy among nationalities in the amount they earmark for private insurance coverage.

The Swiss top the charts with an average annual expenditure of \$2,923 a person on insurance, followed by the Japanese at \$2,576 a year. In third place are the Americans, who spend on average \$2,068 a person. At the other end of the scale are the developing and formerly Communist countries, whose citizens frequently spend an average of less than \$5 a person on insurance.

Regulation is in the works. The Securities & Exchanges Commission is investigating several viatical groups that act as brokers, saying that some of their transactions are like securities dealings and should be registered. State regulators have also agreed on a model setting minimum prices that can be paid for a policy, ranging from 70 percent of its value for someone expected to live six months to a year, to 50 percent for two years or longer.

As a result, very few have heard, commented John Banks, the president of Viaticus.

But Viaticus is also a major company compared with the smaller groups, some with questionable practices, which still dominate the business. And Mr. Banks says he agrees that the industry needs regulation.

"It's the brokers who are responsible for the speculation," he said.

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The business has its defenders, many of them AIDS activist groups that point out that they serve a need not met by insurance companies. More significantly, it is becoming mainstream. Last year, an insurance company, the Chicago-based CNA Financial Corp., entered the field by setting up a subsidiary, Viaticus Inc. The company has purchased 400 policies, about 80 percent of them from AIDS patients, in contrast to Prudential, where 50 percent of early death benefit payments have gone to terminal cancer patients, and 27 percent to the AIDS-afflicted. "The AIDS market has a network and have heard about us, but in the main-

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## SPORTS

## Soccer Cup Draws Separate English, German and Italian Clubs

Compiled by Our Staff From Dispatches

GENEVA — The European Cup Winners' Cup final could be an all-English confrontation between the London teams Arsenal and Chelsea, which would prompt UEFA, European soccer's governing body, to switch the venue of the May 10 final from Paris to Wembley for security reasons.

The UEFA Cup final could be between two Italian teams or two German clubs.

In draws for the cups on Friday, the teams from the same countries conveniently avoided each other.

UEFA officials drew it Arsenal, the defending champion, against Ita-

ly's Sampdoria, and Real Zaragoza of Spain against Chelsea in the Cup Winners' Cup semifinals.

In the UEFA Cup, it was Bayer Leverkusen against Parma and Juventus against Borussia Dortmund.

The Cup Winners' semifinals will be staged April 6 and 20 with Arsenal and Zaragoza playing at home in the first legs. The final is at the Parc des Princes in Paris, although there is speculation that the final could be switched to London's Wembley stadium if the two English clubs advanced and created a security risk.

Some 200 Chelsea fans were sent home before their team's quarterfinal

game in Bruges last month. That followed a riot in Dublin on Feb. 15 when England played Ireland in a friendly match.

UEFA confirmed Friday that it was written into its regulations that, if two clubs in a final were from the same country, the venue could be changed if both teams requested it.

Arsenal knows it will not have to face the English national captain, David Platt, who will miss both semifinal legs after being expelled during Sampdoria's quarterfinal against Porto on Thursday.

Leverkusen and Juventus will host the first legs of the UEFA Cup semi-

finals April 4 with the second legs April 18. UEFA decided that the winner of the Leverkusen-Parma semifinal will host the first leg of the final May 3. The second leg is May 17.

Dortmund will be out for revenge after losing 6-1 to Juventus on aggregate in the 1993 UEFA Cup final.

The Champions' Cup semifinals were decided in advance. Paris St. Germain plays AC Milan, the defending champion, on April 5 in Paris, and Bayern Munich faces Ajax Amsterdam in Germany. The second legs are April 19 and the final is in Vienna on May 24.

PSG's sporting director, Jean-Michel Moutier, said: "The players would rather have had the second leg in Paris, but the coach, Luis Fernandez, is not bothered about going to Italy for the second match."

"We'll have to get a result at home and then aim to hold on over there," he added.

AC Milan's director, Umberto Gandini, acknowledged that it was an advantage for Milan to be at home for the second leg. (AP, AFP)

■ Sampdoria Wins on Penalties

Sampdoria advanced to the Cup Winners' Cup semifinals by beating

Porto on penalties late Thursday night in Porto, Reuters reported.

Sampdoria, facing a 1-0 deficit from the first leg squared the tie with a 48th minute goal from Roberto Mancini and the second leg was level 1-1 on aggregate after extra time.

The Italians won the penalty shoot-out, 5-3, after the striker Rui Latapy's shot was saved by Sampdoria's Walter Zenga. Porto's Domingos Oliveira, Emerson Costa and Antonio Folha all scored.

Mihajlovic Siniša, Vladimir Jugović, Ricardo Maspéro, Fausto Salano and Attilio Lombardo converted Sampdoria's five kicks.

## Testimony Deflates Key Alibi For Tapie

Compiled by Our Staff From Dispatches

VALENCIENNES, France

— The prosecutor in the bribery trial of the former Marseille soccer president Bernard Tapie accused a former French cabinet minister of lying in court Friday and said he should be investigated for interfering with witnesses.

The prosecutor said the former Socialist minister, Jacques Mellick, had given false testimony in a bid to clear Tapie, a former cabinet colleague, of match-fixing charges and had ordered his aide to lie to support Tapie's alibi.

"I will ask that the minutes of this hearing be sent to prosecutors so that they can start, if they deem it necessary, an investigation into Jacques Mellick for tampering with a witness," the prosecutor, Eric de Montgolfier, told the court.

Mellick's former aide, Colette Krawiecki, testified that she and Mellick did not travel to Paris in June 1993 to meet Tapie. The alleged meeting provided Tapie with an alibi against a claim that he offered a bribe to a coach to fix a game.

Mellick, mayor of the northern town of Bethune and a member of Parliament, had said he met Tapie on June 17, 1993, at the same time that the coach of the Valenciennes club, Boro Primorac, claimed that Tapie was trying to buy his silence.

Tapie has denied that he met Primorac on that day. A member of the French and European Parliaments, he is one of six people on trial for bribery in a May 1993 league match between Marseille and Valenciennes.

Each faces up to three years in prison if convicted.

The scandal broke when a Valenciennes player said he had been bribed by Tapie's team, Olympique Marseille.

Hans Gillhause, a forward on the Dutch 1990 World Cup side, joins Gamba Osaka along with the Croatian midfielder Skriniar Vekoslav.

Danielle Massaro, an Italian international striker, is expected to sign a contract with Shimizu S-Pulse when the Italian league ends June 4.

The former Werder Bremen striker Wynton Rufer of New Zealand will play for JEF United, replacing last season's top scorer, Frank Ordenewitz, of Germany.

The new league team Kashima Reysol has four Brazilians on its roster: Cacau, Müller, Nelson and Valdir. The other new team is Cerezo Osaka.

Vandy Kawasaki, meanwhile, is bidding for a third consecutive title, with the Brazilians Peñarol and Bismarck.

The J-League teams rely heavily on foreign coaches, who have been increased from 4 to 10 this season.

Japan has never made it to the World Cup finals. South Korea played in the finals in 1954, 1986, 1990 and 1994.

(Reuters, AP)

## Nordiques Edge Ahead of Penguins

The Associated Press

The team playing the best hockey in the National Hockey League right now? The Quebec Nordiques, but not by much.

"If we had a seven-game playoff, it would be 4-3 either way," the Pittsburgh Penguins center John Cullen said Thursday night after a 3-2 loss to Quebec in a battle of the NHL's top two teams. "I don't think either team would allow the other to win four in a row because they're just too good."

With the victory, the Nordiques moved one point ahead of

game with one goal and Rouse had none, but they helped hand Dallas its third straight road loss. The Red Wings are 5-1-1 in their last seven.

Detroit went 4-3 after just 51 seconds of the third when Konstantinou snuck in from the blue line to whack in a goal mouth pass for his second goal of the year.

Flyers 3, Senators 1: In Ottawa, John LeClair's tie-breaking goal with just over two minutes left boosted the Flyers over the Senators and into first place in the Atlantic Division, over the idle New York Rangers.

Sabres 6, Islanders 3: Pat LaFontaine, playing his first game in 16 months, scored one goal and set up another to lead Buffalo over the visiting Islanders. LaFontaine's first goal since Nov. 10, 1993, came on a three-one break when he beat Tommy Soderstrom with a wrist shot to give the Sabres a 2-1 lead with just over six minutes left in the period. Alexander Mogilny scored two goals, the first after LaFontaine hit him with a soft pass in the right circle.



Dallas's Mike Kennedy awaited the rebound as Detroit's Mike Vernon deflected a shot.

## A Five Nations Showdown For England and Scotland

Compiled by Our Staff From Dispatches

LONDON — Gavin Hastings, the captain of Scotland's rugby union team, acknowledged on Friday that it would require a supreme effort from his team to stop England in the match that decides the Five Nations tournament at Twickenham on Saturday.

Hastings, making his final international appearance at a ground where Scotland has won only twice since World War II, knows his team is a firm underdog in the "winner-take-all" battle for European rugby's top honor.

The Five Nations title, the Calcutta Cup, a grand slam and a triple crown are all up for grabs, and Hastings insisted that it would be a bigger occasion than any of his previous 55 caps.

"It's the biggest match of my life, bigger than the World Cup semifinal four years ago," he said. "That was four years ago, this is now."

"We're going to have to play the game of our lives and take every opportunity to have a chance. But the English won't be taking it lightly, that's for sure."

In the other match on Saturday, Ireland faces

Wales in Cardiff to decide which of the two finishes at the bottom of the tournament.

The generally relaxed demeanor of the Scottish team contrasted with the English squad, five of whom were involved in the famous 1990 Murrayfield showdown in which Scotland triumphed in similar circumstances.

The English side had a brief practice Friday, and many of the players were reluctant to discuss their prospects.

But Will Carling, the captain, said he was sure history would not repeat itself.

"We were good enough in 1990 and we didn't win the game," he said. "I believe if we fulfil our potential this time we will win."

Hastings' total of 16 points against Wales put him five points tally for the season to 50, just two short of his Scottish record of 52 set in 1986.

He needs another 18 to break the overall championship record held by England's Jonathan Webb, but will need to repeat his inspirational deeds of the past three matches if the Scots are to secure only the fourth grand slam in their history.

(Reuters, AFP)

## Foreign Stars Light Up J-League, but Japanese Fans Miss Local Talent

Reuters

Jorginho and Leonardo will play for Kashima Antlers, Müller for Kashima Reysol, Zionho for Yokohama Flugels, Gimar for Cerezo Osaka, Ronald for Shimizu S-Pulse and Dunga, the captain, for Jubilo Iwata.

But declining domestic television viewing figures last season have been blamed on a lack of Japanese star players to generate interest among local fans.

The J-League has tried to counter the problem by boosting the prize money. The winners of the two legs that make up the season will earn 100 million yen (\$1.1 million) — twice last season's figure.

Fifty-eight foreign players, including a star-studded contingent of 27 Brazilians, and 10 international coaches are to figure in the 14-team professional league, which has two more teams than it did last season.

J-League teams offering multimillion-yen contracts backed by the mighty Japanese currency have secured the services of seven members of the Brazilian squad that won the 1994 World Cup.

Some Japanese soccer officials are worried about the game's declining popularity compared with baseball and sumo and wrestling, the country's most popular sports.

They say there is too much dependence on foreign players, who scored 402 of the league's 841 goals last season.

Some television networks have decided to cut by about 30 percent the number of matches to be broadcast in the season's first stage, which ends July 22.

New players from Europe include Franck Durix from Cannes and Gerald Passi from St. Etienne, the first French players in the league. They will play for Nagoya Grampus Eight, managed by their compatriot Arsene Wenger.

Hans Gillhause, a forward on the Dutch 1990 World Cup side, joins Gamba Osaka along with the Croatian midfielder Skriniar Vekoslav.

Danielle Massaro, an Italian international striker, is expected to sign a contract with Shimizu S-Pulse when the Italian league ends June 4.

The former Werder Bremen striker Wynton Rufer of New Zealand will play for JEF United, replacing last season's top scorer, Frank Ordenewitz, of Germany.

The two Asian rivals ended up as the only bidders after Mexico withdrew, and both are now mounting multimillion-dollar campaigns to get the nod from FIFA, which will pick the venue in June 1996.

Sources close to Seoul's campaign said there was no question of a joint North-South bid at this point. But the sources added that if relations between the nations were normalized, the peninsula, divided since the end of World War II, could stage the tournament as one nation.

If Seoul's bid succeeds, this in itself could be a "catalyst for peace," they said.

Yonhap said Havelange declared that FIFA "never considered the possibility of South Korea and Japan co-hosting."

"It is impossible for several reasons," he said, but did not elaborate.

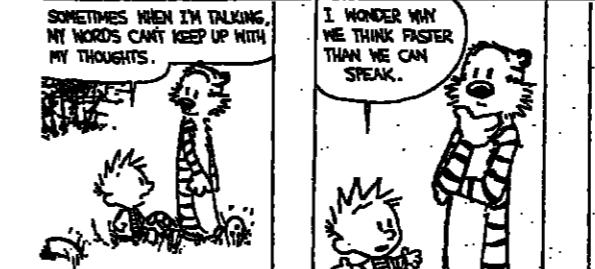
Japan has never made it to the World Cup finals. South Korea played in the finals in 1954, 1986, 1990 and 1994.

## DENNIS THE MENACE

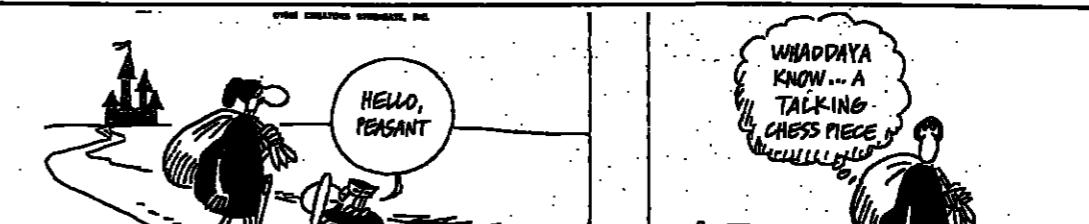
## PEANUTS



## CALVIN AND HOBBES



## WIZARD OF ID



Aerobics in hell

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## DAVE BARRY

**The O.J. Court Is Now in Session**

MIAMI — Transcript, trial of the century:

BAILIFF: Hear ye, hear ye, the court is now in sess —

DEFENSE: Objection, your honor.

JUDGE: To what?

DEFENSE: Nothing, your honor. We're just warming up.

PROSECUTION: Your honor, the people would like to state that we also have no objections at this time.

DEFENSE: Objection, your honor. Every time the defense says something, the prosecution always feels it has to say something.

PROSECUTION: The people do not.

DEFENSE: Do not.

PROSECUTION: Do too.

DEFENDANT: O.K. stop, I confess!

I'm guilty!

JUDGE (sternly): Order in the court!

(To prosecution): Proceed.

DEFENSE: Your honor, the prosecution is clearly jealous of the defense because we have a lot of marquee legal talent such as F. Lee Bailey and the late Raymond Burr.

PROSECUTION: Objection, your honor. The people have reason to believe that is not really F. Lee Bailey.

(A murmur runs through the courtroom.)

JUDGE: Dammit, bailiff! I ordered the murmur removed from this courtroom!

BAILIFF (drawing his gun): We'll take care of it sir.

PROSECUTION: Your honor, if that is F. Lee Bailey, how come he hardly ever says anything? He just sits there, day after day, not moving. The people request permission to stick him with a pin.

JUDGE: I'll allow it.

F. LEE BAILEY: Sssssssssssss

JUDGE: Let the record show that F. Lee Bailey is actually an inflatable doll wearing a \$1,000 suit.

DEFENSE: Objection, your honor. That suit cost \$1,500.

JUDGE WAPNER: Do you have a receipt?

DEFENSE: Objection! This judge is from a completely different TV show!

JUDGE: I'll sustain the objection.

DEFENSE: Which one?

JUDGE: I have no idea. Let's proceed with the expert witness.

PROSECUTION (to witness): Please state your name and the size of your book advance.

EXPERT WITNESS: My name is Dr. Pembroke A. Femur, and my advance is \$350,000.

PROSECUTION: Dr. Femur, you are an expert, are you not?

EXPERT WITNESS: I am.

PROSECUTION: And do you think the people's hairstyle looks better this way, or the way the people wore it before?

EXPERT WITNESS: This way.

JUDGE: What about my beard?

EXPERT WITNESS: With all due respect, your honor, I have seen more impressive facial hair on a coconut.

(Laughter.)

JUDGE (angrily): Bailiff! Where is that laughter coming from?

BAILIFF: From inside a set of parentheses.

PROSECUTION: Dr. Femur, I am handing you Exhibit No. 2038-B. Can you identify this item for the court?

EXPERT WITNESS (examining it): Yes. That is a DNA molecule belonging to the defendant.

DEFENSE: Objection! We can't see the exhibit!

PROSECUTION: Of course you can't, you idiot. It's a MOLECULE.

EXPERT WITNESS: Or a poppy seed. There's a 73 percent chance either way.

PROSECUTION: Now Dr. Femur, can you tell the court, in your own expert words, what DNA stands for?

EXPERT WITNESS: Yes.

PROSECUTION: I see. Now Dr. Femur, could you please tell the jury, as an expert, whether the defendant could have left this DNA molecule or poppy seed at the scene of the —

EXPERT WITNESS: Tell WHAT jury?

JUDGE: Dammit, bailiff! The jury is cased again!

(Another murmur runs through the court.)

GUN: BANG!

BAILIFF: I got the murmur, your honor!

DEFENSE: Objection! The bailiff shot a reporter for the National Enquirer.

JUDGE: I'll allow it.

PROSECUTION: Your honor, while we're waiting for the authorities to track the jury down, the people request your honor's permission to ask the witness approximately 850 unbelievably redundant questions.

JUDGE: Hey! Where's the defendant?

Knight-Ridder Newspapers

**Want to Be in the Movies? It Costs Only £1,000**

International Herald Tribune

LONDON — You ought to be in pictures, and you and I are. Everyone ought to be in pictures and can at least be in "The Bruce," one of a brace of films that starts shooting next month. The second is "Macbeth." An advertisement that recently appeared in The Times and other national newspapers offered "Your Chance to Play a Part in British Film History" and meant it literally: Buying one share in the production at a cost of £1,000

## MARY BLUME

(about \$1,600) entitles the purchaser to appear as an extra in what is described as "the powerful story of Scotland's great warrior king." Shareholders also are named as associate producers in the credit sequence and on location are invited to what the producer, Robert Carruthers, calls the best parties in the industry.

Carruthers, 35, first dreamed up this novel way of financing for a Scottish epic about Bonnie Prince Charlie and the battle of Culloden called "Chasing the Deer" which attracted 284 small investors, cost about £300,000 and opened quietly in Britain last September, beginning with 17 movie houses in Scotland. "Which is about all of them," Carruthers said. It even won a prize at the North West Film Festival, beating such other independent productions as "Beyond Bedlam."

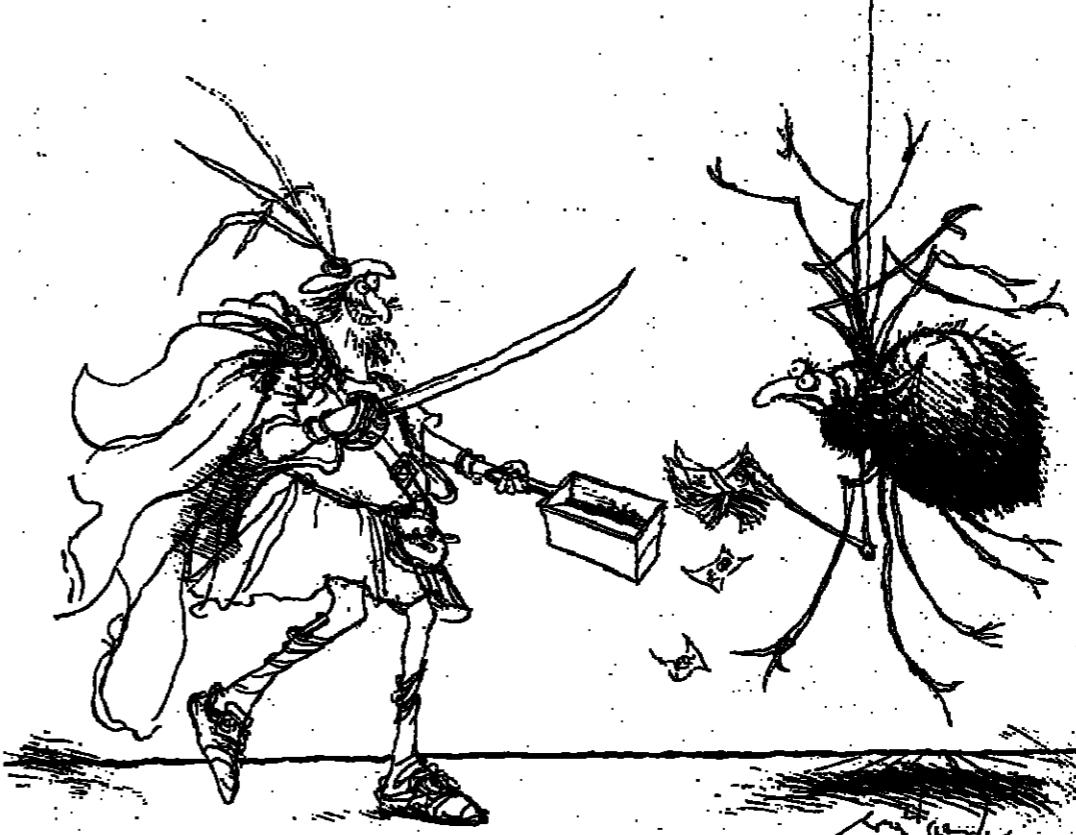
"What we prefer is people buying small packets of shares just for the fun and putting the financial thing to the back of their minds," Carruthers, a burly and cheerful Scot, said before a fund-raising meeting last week at the Hilton. His preferred analogy is buying a share in a racehorse: He would hate anyone to empty his savings account for a break in films.

By profession he makes television documentaries, mostly about famous battles that "breathe new life into the tapestry of the past," according to a promo. Left-over footage and costumes from his film about Culloden inspired "Chasing the Deer." Costs were further cut by having only one star, Brian Blessed, who played in Kenneth Branagh's "Henry V"; by using locations that Scottish authorities were only too pleased to have seen on film, and by dispensing with a scenario in favor of using contemporary records.

There was a lot of 18th-century dialogue, people talking in rooms, things like that. We haven't had a single complaint about the accuracy of the film but we had a lot of complaints that it was dull."

With "The Bruce" Carruthers plans to throw the history book out of the window and make a mainstream adventure film about Robert the Bruce (1274-1329), who learned patience from watching a spider weave its web and became Scotland's king.

Blessed will star again, flanked by reformed tospots Oliver Reed and Richard Harris and there will be a proper screenplay this time. Investors can be photographed with Blessed and possibly interviewed. No promises are made about ending on the cutting room floor (the investors' brochure carefully says they will play in the film, not be seen in it).



Would a big investor have a chance at a juicy speaking role instead of just carrying a bucket or holding a spear? "Probably not," Carruthers said though some extras in "Chasing the Deer" fought on both sides of the battle and one man died twice. He resents journalists' claims that some extras could be seen wearing sneakers: "We spent a fortune on period footgear."

Carruthers does his best to give investors/extras the VIP treatment — we'll get a red carpet for them but they all thought it was for someone else and nobody walked on it — and of course they can see themselves and their names on the endless credit sequence in videocassette.

Do investors get free cassettes? "No," said Carruthers, they have to buy them at \$35 each. "It's a real Scottish production," he added.

In retrospect, he calls "Chasing the Deer" a nice wee film and says "The Bruce" will be much more cinematic. If further funds can be raised, the next production will be "Macbeth," directed by and starring Blessed. "We already have the costumes and locations," Carruthers thrifly pointed out. For Lady Macbeth he is thinking of Emma Thompson.

At his fund-raising pitch at the Hilton, attended by

about 120 people who had seen the newspaper ads or invested in the first film, Carruthers announced that each share will yield a £100 dividend this year and £250 next year. "Most people are amazed they would get anything. In fact they're amazed they ever saw us again," he added.

He told the audience that he was closing a deal with Sky television for "Chasing the Deer" and that "The Bruce" would be mainstream entertainment "that will appeal to Japan and Canada and every other market." They nearly have a script and hope for a theme song that will get on MTV. The investment, he emphasized, should not be regarded as a sure thing.

Comments after the presentation were mostly positive although one woman was sorry no stars were there. "I wonder if shares could be liquidated," said a man in a dark City suit. There was certainly a buzz in the air. "They're either out for money or lots of punishment," Carruthers's associate, Steve Gillham, observed.

"It could be exciting," said the man in the serious City suit dreamily. "Think of all the money 'Four Weddings and a Funeral' made."

## PEOPLE



Anita Hill is leaving her teaching post.

Richard E. Oldenberg, who was director of the Museum of Modern Art in New York for 21 years before resigning in 1993, has been named chairman of Sotheby's America. Oldenberg succeeds John Marion, who retired from Sotheby's at the end of 1994 and is now its honorary chairman.

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